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 form of proxy 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)

WORK REPORT OF THE BOARD OF THE COMPANY FOR 2025
PROFIT DISTRIBUTION PLAN OF THE COMPANY FOR 2025
RESOLUTION CONCERNING THE FORMULATION OF THE REMUNERATION MANAGEMENT SYSTEM FOR DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY
RESOLUTION CONCERNING THE CONFIRMATION OF THE REMUNERATION OF DIRECTORS OF THE COMPANY FOR 2025 AND THE REMUNERATION PLAN FOR 2026
RESOLUTION CONCERNING THE RE-APPOINTMENT OF THE AUDITOR FOR THE FINANCIAL REPORT AND THE INTERNAL CONTROL AUDITOR OF THE COMPANY FOR 2026
LOAN FRAMEWORK AGREEMENT
AND
NOTICE OF THE 2025 AGM

A letter from the Board is set out on pages 5 to 8 of this circular.

A notice convening the 2025 AGM to be held at 2:30 p.m. on Monday, 22 June 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 website 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 2025 AGM 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 authorizing that attorney to sign, or other documents 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 2025 AGM, either in person or by proxy in respect of such Shares.

For H Share Shareholders, please return the proxy form together with any document of authority to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, and in any event not less than 24 hours before the time appointed for holding the 2025 AGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2025 AGM or any adjournment thereof should you so wish.

29 May 2026

CONTENTS

Page

DEFINITIONS 1

LETTER FROM THE BOARD 5

1. INTRODUCTION. 6

2. MATTERS TO BE CONSIDERED AT THE 2025 AGM 6

3. THE 2025 AGM 6

4. RECOMMENDATION 7

5. RESPONSIBILITY STATEMENT. 8

APPENDIX I – MATTERS TO BE CONSIDERED AT THE 2025 AGM 9

APPENDIX II – WORK REPORT OF THE BOARD FOR 2025 20

APPENDIX III – REMUNERATION MANAGEMENT SYSTEM FOR DIRECTORS AND SENIOR MANAGEMENT 32

NOTICE OF THE 2025 AGM 36

Note: If there are any discrepancies between the Chinese version and the English version of this circular, the Chinese version shall prevail.

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

"2025 AGM" or "2025 Annual General Meeting"	the 2025 annual general meeting of the Company to be convened and held at 2:30 p.m. on Monday, 22 June 2026 at Conference Center, 3/F, South Building, Block B, Macalline Global Center, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC
"2025 Loan Framework Agreement"	the agreement entered into between the Company and Xiamen C&D in 2025 in respect of the provision of a revolving loan facility of up to RMB9.5 billion by Xiamen C&D to the Company which was approved by the Shareholders at the extraordinary general meeting of the Company held on 29 May 2025
"A Share(s)"	the ordinary share(s) issued by the Company, with a nominal value of RMB1.0 each, listed on the SSE and traded in RMB
"A Share Shareholder(s)"	the holder(s) of the A Share(s)
"Annual Caps"	the proposed annual caps for the maximum daily amount of utilized loans between the Company and Xiamen C&D pursuant to the Loan Framework Agreement as set out in the section headed "Proposed Annual Caps and Basis of Determination" in this circular
"Articles of Association"	the Articles of Association of Red Star Macalline Group Corporation Ltd., as amended, modified and otherwise supplemented from time to time
"Available Period"	from the date on which the Loan Framework Agreement was considered and approved by the 2025 AGM till 28 May 2028
"Board"	the board of directors of the Company
"Company" or "Red Star Macalline"	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 and traded on the main board of the Hong Kong Stock Exchange and A Shares are listed and traded on the SSE
"Company Law"	the Company Law of the People's Republic of China

"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning under the Listing Rules
"Director(s)"	the director(s) of the Company
"Effective Date"	the date on which all the condition precedents under the Loan Framework Agreement are satisfied
"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, which is/are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"H Share Shareholder(s)"	the holder(s) of the H Share(s)
"HK$" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Shareholder(s)"	shareholders who are not required to abstain from voting at the 2025 AGM to consider, and if thought fit, approve the Loan Framework Agreement, the Transactions and the Annual Caps
"Latest Practicable Date"	26 May 2026, 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
"Loan Framework Agreement"	a loan framework agreement entered into between the Company and Xiamen C&D on 26 May 2026
"Managed Shopping Mall(s)"	shopping mall(s) managed under contract management agreements

"Portfolio Shopping Mall(s)"	all of the following shopping malls: (1) shopping malls which are owned by the Company's holding subsidiaries; (2) the repurchased shopping malls; (3) shopping malls leased by the Company; (4) shopping malls where the operating results of the malls are consolidated and a fixed annual fee is paid to the relevant property owners ("fixed-fee Portfolio Shopping Malls"); (5) shopping malls held by the Company and associates or joint venture partners and operated by the Company ("Joint Venture/Associate Portfolio Shopping Malls"). For the purpose of this circular, we categorize the abovementioned (1) and (2) as "Self-owned Portfolio Shopping Malls" and the abovementioned (3), (4) and (5) as "Non-self-owned Portfolio Shopping Malls"
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"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 of the PRC and Taiwan
"Revolving Facility"	a revolving loan facility up to RMB4.0 billion to be made available by Xiamen C&D to the Company pursuant to the Loan Framework Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Stock Exchange" or "SSE"	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)
"Short-Term Loan Facility"	a short-term loan facility up to RMB2.5 billion to be made available by Xiamen C&D to the Company pursuant to the Loan Framework Agreement
"Specific Agreement(s)"	specific agreements to be entered into between the Company and Xiamen C&D under the Loan Framework Agreement
"SSE Listing Rules"	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) as amended, supplemented or otherwise modified from time to time

"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Transaction(s)"	the transaction(s) contemplated under the Loan Framework Agreement
"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
"%"	per cent

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

29 May 2026

To the Shareholders

Dear Sir or Madam,

WORK REPORT OF THE BOARD OF THE COMPANY FOR 2025
PROFIT DISTRIBUTION PLAN OF THE COMPANY FOR 2025
RESOLUTION CONCERNING THE FORMULATION OF THE REMUNERATION MANAGEMENT SYSTEM FOR DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY
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RESOLUTION CONCERNING THE RE-APPOINTMENT OF THE AUDITOR FOR THE FINANCIAL REPORT AND THE INTERNAL CONTROL AUDITOR OF THE COMPANY FOR 2026
LOAN FRAMEWORK AGREEMENT
AND
NOTICE OF THE 2025 AGM

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of the 2025 AGM and information on certain resolutions to be proposed and considered at the 2025 AGM so that you are able to make informed decisions on whether to vote for or against or abstain from voting on those resolutions at the 2025 AGM.

2. MATTERS TO BE CONSIDERED AT THE 2025 AGM

Ordinary resolutions to be proposed at the 2025 AGM for the Shareholders to consider and approve include: (a) the work report of the Board of the Company for 2025; (b) the profit distribution plan of the Company for 2025; (c) the resolution concerning the formulation of the remuneration management system for Directors and senior management of the Company; (d) the resolution concerning the confirmation of the remuneration of Directors of the Company for 2025 and the remuneration plan for 2026; (e) the resolution concerning the re-appointment of the auditor for the financial report and the internal control auditor of the Company for 2026; and (f) the resolution regarding the Company's application for borrowings and continuing connected transactions from substantial shareholders (including approval of the Loan Framework Agreement, the transactions thereunder and the annual caps).

Details of the matters to be considered at the 2025 AGM are set out on pages 9 to 19 in this circular. In order to enable you to have a better understanding of the resolutions to be proposed at the 2025 AGM and to make well-informed decisions, the Company has provided detailed information in this circular, including matters to be considered at the 2025 AGM (see Appendix I), the work report of the Board for 2025 (see Appendix II), and the remuneration management system for Directors and senior management (see Appendix III).

3. THE 2025 AGM

A notice convening the 2025 AGM to be held at 2:30 p.m. on Monday, 22 June 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 36 to 37 in this circular.

The proxy form for the 2025 AGM is also enclosed herein and published on the website of the Hong Kong Stock Exchange (www.hkexnews.com.hk) and the Company (www.chinaredstar.com). Shareholders who intend to appoint proxy/proxies to attend the 2025 AGM 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 notarized 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, Wanchai, Hong Kong, not less than 24 hours before the time for holding the 2025 AGM in order for such documents to be valid. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2025 AGM or any adjournment thereof should you so wish.

Pursuant to the Articles of Association, for the purpose of holding the 2025 AGM, the register of members of H Shares will be closed from Tuesday, 16 June 2026 to Monday, 22 June 2026 (both dates inclusive), during which 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, 16 June 2026 are entitled to attend and vote at the 2025 AGM. For information about A Share Shareholders' attendance at the 2025 AGM, please see the A Share announcement published by the Company on the website of the SSE.

In order to ascertain the entitlements to attend and vote at the 2025 AGM, 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, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 15 June 2026.

Save as disclosed in this circular, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, except for related Shareholder, Xiamen C&D, Lianfa Group Co., Ltd. (聯發集團有限公司) (a subsidiary of Xiamen C&D), Red Star Macalline Holding Group Company Limited, Mr. CHE Jianxing, Ms. CHEN Shuhong (the spouse of Mr. CHE Jianxing) and Ms. CHE Jianfang (the spouse of Mr. XU Guofeng and the sister of Mr. CHE Jianxing), none of the Shareholders has a material interest in the resolutions to be proposed at the 2025 AGM, and is required to abstain from voting at the 2025 AGM on such resolutions.

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 2025 AGM will be voted by poll.

In addition, the Company will offer a platform to A Shareholders including investors of Shanghai Hong Kong Stock Connect to vote online through the general meeting online voting system of the SSE. Please refer to the relevant announcement published by the Company on the SSE for details.

4. RECOMMENDATION

The Directors consider that all resolutions set out in the notice of the 2025 AGM for consideration and approval by Shareholders 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 2025 AGM.

5. RESPONSIBILITY STATEMENT

This circular for which the Directors collectively and individually accept full responsibility, provides information in relation to the Company in compliance with the Listing Rules. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

ORDINARY RESOLUTIONS

A. TO CONSIDER AND APPROVE THE WORK REPORT OF THE BOARD OF THE COMPANY FOR 2025

The work report of the Board of the Company for 2025 has been considered and approved by the Board and is hereby proposed at the 2025 AGM for Shareholders' consideration and approval, details of which are set out in Appendix II to this circular.

B. TO CONSIDER AND APPROVE THE PROFIT DISTRIBUTION PLAN OF THE COMPANY FOR 2025

I. The profit distribution plan of the Company for 2025 is as follows:

The accumulated undistributed profits of the parent company at the beginning of 2025 were RMB6,329,849,561.06. After deducting the net loss of RMB629,149,711.99 realized by the parent company in 2025 and adding the undistributed profits of RMB80,088,966.67 carried forward from the disposal of other equity instruments during the year, and as no statutory surplus reserve was appropriated for the year in accordance with the relevant provisions of the Company Law and the Articles of Association, the distributable profits of the parent company as of 31 December 2025 amounted to RMB5,780,788,815.74.

In accordance with the relevant provisions of the Articles of Association, taking into account the actual operating conditions of the enterprise and giving comprehensive consideration to the Company's long-term development and the interests of investors, the Board has proposed the profit distribution plan for 2025 as follows: no cash dividend will be distributed and no capital reserve will be converted into share capital in 2025.

II. Explanation of no profit distribution in 2025

In accordance with the relevant provisions of the "Self-regulatory Guidelines for Companies Listed on the Shanghai Stock Exchange No. 1 – Standardized Operation" and the "Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies", a detailed explanation based on the characteristics of the industry in which the Company operates, its development stage, its own business model, profitability, capital requirements and other factors is as follows:

(1) The conditions and characteristics of the industry in which the Company operates

The real estate industry, as a basic industry under continuous regulation and control in China, is closely related to the country's macroeconomic development and exhibits strong cyclical characteristics. The adverse changes caused by cyclical fluctuations in the real estate industry have affected the operating conditions of both shopping malls and merchants, leading to a phased decline in the occupancy rates and rents of the shopping malls. Meanwhile, to support merchants, the Company has increased concessions to stabilize and retain them, which has had a certain negative impact on the Company's operating results.

(2) The Company's development stage and its own business model

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. At the same time, the Company also offers a range of pan-home furnishing consumption services, including internet retail and interior design. The Company focuses on pan-home furnishing consumption services such as shopping malls integrating home appliances, home furnishings and home decoration, internet retailing, and M+ high-end design. Adopting an "operation + service" model, it is committed to building a leading national chain enterprise for mid-to-high-end durable consumer goods with scenario-based experiences.

The Company builds industry entry barriers and consolidates its market leadership position in the core areas of first- and second-tier cities through its self-operated business model; and expands its shopping mall network in third-tier and lower-tier cities through managed and franchised business models, effectively penetrating the sinking market. As a nationwide home improvement and furnishing shopping mall operator, the Company has a wide geographic coverage, a large number of malls and a large operating area.

(3) The Company's profitability and capital requirements

In 2025, the Company recorded revenue of RMB6,581,940,812.80 and net loss attributable to shareholders of the Company of RMB-23,722,257,667.01.

In 2026, the Company will focus on its core development goals and actively expand its industrial ecosystem, supply chain services, decoration business, and overseas business. In the supply chain business segment, the Company will focus on exploring business opportunities in the B2B market, while holistically considering internal incubation, external expansion, business format integration, and other diversified paths to continuously enrich its business layout and enhance its core competitiveness. In the decoration business segment, it will accelerate the implementation of various work mechanisms during the business start-up phase, improve the process system, and encourage the team to explore innovative business models to facilitate a rapid start and steady progress of the business. In the overseas business segment, the Company will fully leverage the extensive international supply chain operation service experience of Xiamen C&D Group Co., Ltd.* (廈門建發集團有限公司) (the "**C&D Group**") and the brand influence of Red Star Macalline to build a bridge to help Chinese building materials and home furnishing brands go overseas. At the same time, it will work with all parties to explore feasible implementation paths for asset-light output of home furnishing malls to promote breakthrough development in overseas business. Therefore, the Company's operational development in 2026 requires strong financial support.

(4) Reasons for no profit distribution by the Company

In view of the fact that the Company's net profit attributable to shareholders of the Company in 2025 was negative and no profit was realized, on the premise of ensuring the Company's normal operations and long-term development, and based on the consideration of the Company's sustainable development plan, profitability, business plan and capital arrangements, the Board proposes not to distribute cash dividends and not to convert capital reserve into share capital for 2025.

(5) The actual usage of the Company's retained undistributed profits and expected income

In addition to ensuring the normal operation of production and business, the Company's retained undistributed profits will be used to actively expand the industrial ecosystem layout. The Company will focus on business model construction, promote the separation of light and heavy assets, and spin off two specialized entities to achieve dual growth engines of heavy asset operation and light asset operation, thereby solving the heavy asset dilemma; strengthen the supply of commercial content, achieve content breakthroughs through packaging, scenarization, and home living department store-ization, reshape the attractiveness of stores, and optimize merchant operations and conversion efficiency; deeply cultivate the existing stock to accurately capture improvement needs, deploy pre-emptive touchpoints to weave a dense customer acquisition network, focus on traffic interception, dig deep into existing pain points, iterate products and services, and consolidate the existing market share and the stability of the closed-loop business model; expand the second growth curve, rely on accumulated advantages to develop the home furnishing supply chain business, explore ecosystem element-based businesses, broaden revenue sources, enhance risk resilience, and achieve a leap in full-ecosystem services. The Company will rationally plan and arrange capital investment, diversify financing channels while maintaining a sound financial position and debt ratio level, and reduce finance costs to maximize benefits.

The Company's profit distribution attaches great importance to reasonable investment returns for investors, and the profit distribution policy maintains continuity and stability. In the future, the Company will strictly comply with relevant laws, regulations and the Articles of Association to provide convenience for small and medium-sized Shareholders to participate in cash dividend decisions, while actively implementing the Company's profit distribution system, emphasizing returns to investors in the form of cash dividends, and bringing more returns to all Shareholders.

C. TO CONSIDER AND APPROVE THE RESOLUTION CONCERNING THE FORMULATION OF THE REMUNERATION MANAGEMENT SYSTEM FOR DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

In order to promote the Company's corporate governance system to comply with the latest requirements of relevant laws, administrative regulations, departmental rules, normative documents and the business rules of the SSE, and in accordance with the Company Law and the Code of Corporate Governance for Listed Companies (Revised in October 2025) and other relevant provisions, and taking into account the actual circumstances of the Company, it is proposed to formulate the Remuneration Management System for Directors and Senior Management of Red Star Macalline Group Corporation Ltd.. The details of which are set out in Appendix III to this circular.

The abovementioned resolution has been considered and approved by the Board and is hereby proposed at the 2025 AGM for Shareholders' consideration and approval.

The Remuneration Management System for Directors and Senior Management of Red Star Macalline Group Corporation Ltd. is subject to the approval of the Shareholders by way of an ordinary resolution at the 2025 AGM.

D. TO CONSIDER AND APPROVE THE RESOLUTION CONCERNING THE CONFIRMATION OF THE REMUNERATION OF DIRECTORS OF THE COMPANY FOR 2025 AND THE REMUNERATION PLAN FOR 2026

I. Confirmation of the Remuneration of Directors for 2025

In accordance with the relevant provisions of the Company Law, the Articles of Association and other regulations, based on the remuneration level in the industry in which the Company operates, the annual operating performance and performance appraisal results of the Company, and combined with the actual situation of the Company and the service terms and workload of independent Directors, the remuneration of Directors of the Company for 2025 is as follows:

Name	Position	Remuneration received from the Company for 2025 *(RMB'0,000, before tax)*
LI Yupeng*(Note 1)*	Chairman, Executive Director, former Non-executive Director	138.10
YE Yanliu	Non-executive Director	0.00
ZOU Shaorong	Non-executive Director	0.00
SHI Yaofeng	Executive Director, General Manager	202.58
YANG Yingwu	Executive Director, Deputy General Manager, Chief Financial Officer	166.31
CHE Jianxing*(Note 2)*	Non-executive Director, former Executive Director, former General Manager	176.28
XU Guofeng	Non-executive Director	0.00
ZHENG Yongda (resigned)	Former Chairman, former Non-executive Director	0.00
WANG Wenhuai (resigned)	Former Non-executive Director	0.00
LI Jianhong (resigned)	Former Non-executive Director	0.00
SONG Guangbin (resigned)	Former Non-executive Director	0.00
XU Di (resigned)	Former Non-executive Director	0.00
XUE Wei	Independent Non-executive Director	20.00
CHEN Shanang	Independent Non-executive Director	20.00
HUANG Jianzhong	Independent Non-executive Director	20.00
WONG Chi Wai	Independent Non-executive Director	20.00
CAI Qinghui	Independent Non-executive Director	20.00
ZHENG Jianjie	Employee Director	36.47

Note 1: Due to work adjustment, Mr. LI Yupeng has been re-designated from a non-executive Director to an executive Director, with effect from 21 March 2025.

Note 2: Due to work adjustment, Mr. CHE Jianxing has been re-designated from an executive Director to a non-executive Director, with effect from 13 October 2025. Mr. CHE Jianxing will not receive any director's remuneration for his role as a non-executive Director.

The Board has considered and approved the abovementioned resolutions and the related Directors have abstained from voting on the relevant resolution concerning their respective remunerations. The abovementioned resolutions are hereby proposed at the 2025 AGM for Shareholders' consideration and approval, while the related Shareholder, Red Star Macalline Holding Group Company Limited, Mr. CHE Jianxing, Ms. CHEN Shuhong and Ms. CHE Jianfang will be required to abstain from voting.

II. Remuneration Plan for 2026

Pursuant to the provisions of the Company Law, the Code of Corporate Governance for Listed Companies and other relevant laws and regulations, as well as the Articles of Association, and after taking into account the actual circumstances of the Company, the remuneration levels in the industry and region, and the contribution of positions, the remuneration plan for Directors for 2026 is formulated as follows:

(I) Scope of Application

This remuneration plan is applicable to the Directors of the Company (including employee representative Directors).

(II) Remuneration Plan for Directors

1. Non-independent Directors

For non-independent Directors holding specific positions in the Company (including Directors serving as senior management or other specific positions and employee representative Directors), their remuneration standards and performance assessment shall be implemented in accordance with the remuneration standards for full-time positions or senior management, and they shall not receive separate director's remuneration.

Non-independent Directors who do not hold specific positions in the Company shall, in principle, not receive director's remuneration from the Company. If it is necessary to receive director's remuneration, it shall be determined by the general meeting.

2. Independent Directors

Independent Directors are entitled to receive a fixed allowance of RMB200,000 per annum (pre-tax).

(III) Other Matters

1. The remuneration of the non-independent Directors shall consist of basic remuneration, performance-based remuneration, etc., of which the proportion of performance-based remuneration shall in principle be no less than 50% of the total of basic remuneration and performance-based remuneration. The basic remuneration shall be paid on a monthly basis.

2. If a Director leaves office due to reasons such as expiration of his/her terms of office, re-election, or resignation during the term of office, his/her remuneration or allowance shall be calculated and paid based on his/her actual term of office.

3. For matters not covered by this plan or in case of any inconsistency with relevant laws, regulations, normative documents, and the relevant provisions of the Articles of Association, the provisions of the relevant national laws, regulations, normative documents, and the Articles of Association shall prevail.

The abovementioned resolution has been considered and approved by the Board and is hereby proposed at the 2025 AGM for Shareholders' consideration and approval.

E. TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF THE AUDITOR FOR THE FINANCIAL REPORT AND THE INTERNAL CONTROL AUDITOR OF THE COMPANY FOR 2026

The Company proposes to re-appoint RSM China as the PRC accounting standards auditor of the Company for 2026, to re-appoint Rongcheng (Hong Kong) CPA Limited (formerly known as CL Partners CPA Limited) as international accounting standards auditor of the Company for 2026 until conclusion of the next annual general meeting and determine its audit fees according to industry standards and the actual situation of the Company's audit work. The total audit fee for the audit of the financial statements of the Company for 2026 by RSM China and Rongcheng (Hong Kong) CPA Limited amounts to RMB6.5 million (exclusive of tax). The relevant audit fee was determined after arm's length negotiation between the Board, the audit committee of the Board and the auditors, with reference to, among other things, (i) the scale of business of the Company; (ii) the industry in which the Company operates; (iii) the complexity of the Company's accounting treatments; (iv) the expected audit scope for the financial year ending 31 December 2026; (v) the expected audit timetable; (vi) the staffing plan, the level of involvement of senior staff and the expected resources to be deployed for the audit engagement; (vii) the scale, structure and complexity of the Group's operations and financial reporting; and (viii) the audit fee for the financial year ended 31 December 2025.

The Company proposes to re-appoint RSM China as the internal control auditor of the Company for 2026 until conclusion of the next annual general meeting and determine its audit fees according to industry standards and the actual situation of the Company's audit work. The internal control audit fee of the Company for 2026 by RSM China is RMB1.3 million (exclusive of tax). The relevant audit fee is determined by the Board and the Audit Committee thereunder with reference to various factors such as the Company's scale of business, the industry in which it operates and the complexity of the internal control audit, and based on the staffing and workload required for the Company's internal control audit and the firm's fee standards.

The audit fee set forth above are based on a fair and reasonable assessment based on the facts and circumstances known at the relevant time, and assume that there will be no material changes in the Group's business operations, accounting policies, or regulatory environment.

F. TO CONSIDER AND APPROVE THE LOAN FRAMEWORK AGREEMENT

The Loan Framework Agreement

The principal terms of the Loan Framework Agreement are summarised below:

Parties: The Company (as borrower); and

Xiamen C&D (as lender) (for itself and on behalf of its subsidiaries except for the Group)

Revolving Facility: A Revolving Facility of up to RMB4.0 billion shall be made available to the Company by Xiamen C&D for one or multiple drawings during the Available Period. For the avoidance of doubt, the repaid principal amounts of the Revolving Facility (if any) shall be available for drawing during the Available Period.

Available Period: The Revolving Facility will be available for drawdown during the Available Period, being the date on which the Loan Framework Agreement was considered and approved by the 2025 AGM till 28 May 2028. The Available Period of each drawdown of the Revolving Facility will be no more than 24 months. If the actual Available Period agreed upon at each drawdown of loans exceeds the Available Period ("**Excess Portion**") under the Loan Framework Agreement, the Excess Portion will continue to be valid subject to the renewal of the Loan Framework Agreement. In the event the Loan Framework Agreement is not renewed, all remaining amounts drawn must be repaid by the expiration date of the Loan Framework Agreement.

Short-Term Loan Facility: In addition to the Revolving Facility, the Company may apply to Xiamen C&D, and Xiamen C&D shall provide the Short-Term Loan Facility to the Group, in an aggregate principal amount of up to RMB2.5 billion. Any loan drawn down under the Short-Term Loan Facility in any given year shall be repaid on or before 31 December of the same year in which such loan is drawn down. The Short-Term Loan Facility under the Loan Framework Agreement will be available for drawdown from the date of approval by the Independent Shareholders at the 2025 AGM until 31 December 2027.

Use of the Loan: The Company's operational activities in the ordinary course of business, repayment of interest-bearing debt, and other matters related to lawful business activities.

Interest of the Loan:	It is a market norm to apply Loan Prime Rate (LPR) set by PBOC as a reference rate for loan interest. Currently, only the 1-year LPR and above-five-year LPR are published to the general public. The interest rate of each drawdown is the 1-year Loan Prime Rate (LPR) + floating point that is published by the national interbank funding centre on the business day before the provision of each loan, and the floating point shall not exceed 90 basis points. The interest rate of each drawdown shall be specified in the corresponding Specific Agreement. The loan interest rate is determined through arm's-length negotiations between the Company and Xiamen C&D, based on the following references: (1) the 1-year Loan Prime Rate (LPR) published by the national interbank funding centre, which was 3.0% as at the date of this circular; (2) the loan interest rates ranging from approximately 3.9% to 4.6% obtained by the Company from the major commercial banks in the PRC.
Security/ Credit Enhancement Measures:	None.
Conditional Precedent	The Loan Framework Agreement shall become effective upon fulfilment of the following conditions: (1) Signature(s) (or seal(s)) of the Company and the legal representative(s) or authorized representative(s), with the official seals of both parties affixed; and (2) The Loan Framework Agreement, the Transactions and the Annual Caps thereunder being approved by the Independent Shareholders' at the Company's general meeting. As at the Latest Practicable Date, condition precedent (1) has been fulfilled.

Historical transaction amounts

The 2025 Loan Framework Agreement was approved by the general meeting of the Company on 29 May 2025. Pursuant to the 2025 Loan Framework Agreement, Xiamen C&D either directly or through its designated subsidiaries, joint ventures, and associates (excluding the Group), or by entrusting banks, shall provide revolving facility up to RMB9.5 billion to the Company for the period of three years commencing from 29 May 2025, and the interest rate for each drawdown shall be the 1-year loan prime rate published by the People's Bank of China applicable on the date of drawdown plus floating point, which shall not exceed 90 basis points. The Group shall provide certain credit enhancement measures in the form of certain real estate mortgages, equity pledges, or receivable pledges held by the Company in favour of Xiamen C&D as collateral for the revolving facility under the 2025 Loan Framework Agreement.

For the period from 29 May 2025 to 31 December 2025, the year ending 31 December 2026, the year ending 31 December 2027 and the period from 1 January 2028 to 28 May 2028, the maximum daily amounts of utilized loans between the Company and Xiamen C&D pursuant to the 2025 Loan Framework Agreement, being the annual caps for the revolving facility, including interest incurred, shall be RMB9.73 billion, RMB9.88 billion, RMB9.88 billion and RMB9.66 billion, respectively.

For the period from 29 May 2025 to 31 December 2025, the actual accumulated amount of utilized loans between the Company and Xiamen C&D pursuant to the 2025 Loan Framework Agreement was RMB4.13 billion, and interest incurred by the Group under the 2025 Loan Framework Agreement was RMB0.02 billion. For the four months ended 30 April 2026, the actual accumulated amount of utilized loans between the Company and Xiamen C&D pursuant to the 2025 Loan Framework Agreement was RMB6.36 billion, and interest incurred by the Group under the 2025 Loan Framework Agreement was RMB0.04 billion.

Proposed Annual Caps and Basis of Determination

For the period from the Effective Date to 31 December 2026, the year ending 31 December 2027 and the period from 1 January 2028 to the expiration date of the Loan Framework Agreement, the maximum daily amounts of utilized loans between the Company and Xiamen C&D pursuant to the Loan Framework Agreement, being the Annual Caps for the Revolving Facility, including interest incurred, shall be RMB6.70 billion, RMB6.80 billion, and RMB4.10 billion, respectively.

In determining the Annual Caps, the Directors have taken into account (1) the Company's demand for loans over the past two years, the maturity profile of existing loans over the next two years and the Company's buffer considering its loan requirements for the next two years; (2) the Company’s bank balances and cash as at 31 December 2025; (3) the Company's routine financing needs; (4) the operating cash flow to be generated based on the overall business scale of the Company for the next two years.

Reasons for and Benefits of Entering into the Loan Framework Agreement

The Transactions between the Company and Xiamen C&D are for purposes in the ordinary operating activities of the Company. The provision of Loan from Xiamen C&D and its subsidiaries to the Company meets the Company’s need for working capital turnover and improves the efficiency of its utilization, which are in the interests of the Company and its shareholders as a whole and will not affect the independence of the Company.

In light of the above, the Directors (including the independent non-executive Directors) consider that the Transactions have been negotiated on arm’s length basis, are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the Loan Framework Agreement, the Transactions contemplated thereunder and the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors, namely, Ms. Ye Yanliu, Mr. Zou Shaorong and Mr. Li Yupeng, have abstained from voting on the relevant Board resolutions approving the above transactions in view of their conflict of interests or potential interests in the Transactions contemplated under the Loan Framework Agreement.

Save as disclosed above, none of the other Directors has or is deemed to have a material interest in the Transactions.

Internal Control Measures

The Group has adopted, including but not limited to, the following internal control measures in relation to the utilization of the Revolving Facility by Xiamen C&D:

(1) The Company is required to obtain internal approval before entering into any Specific Agreement in relation to the Revolving Facility;

(2) The Company will conduct regular checks to review and assess whether the relevant continuing connected transactions are conducted in accordance with the terms of the Specific Agreement and the Loan Framework Agreement and that the interest charged by Xiamen C&D for a transaction contemplated under a Specific Agreement is fair and reasonable;

(3) The finance management centre of the Company will closely monitor each loan granted by Xiamen C&D to the Company, and ensure that the interests charged for each loan will not exceed the rate stipulated in the respective Specific Agreement.

In light of the above, the Directors consider that the internal control mechanism is effective to ensure that the Transactions contemplated under the Loan Framework Agreement have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

The Board considers that the internal control procedures adopted in respect of the Transactions contemplated under the Loan Framework Agreement are appropriate and that they will give sufficient assurance to the Shareholders that the Transactions under the Loan Framework Agreement will be appropriately monitored by the Company.

Information on Parties Involved in the Transaction and their Ultimate Beneficial Owners

As a leading home improvement and furnishings shopping mall operator in the PRC, the Group mainly engages in the business of offering comprehensive services to the merchants, consumers and partners of the home improvement and furnishings shopping malls under "Red Star Macalline" through the operation and management of both Portfolio Shopping Malls and Managed Shopping Malls. Meanwhile, the Group also participates in pan-home furnishings consumption, including internet home decoration, internet retail, etc.

Xiamen C&D is a limited liability company incorporated in the PRC and listed on the Shanghai Stock Exchange under the stock code: 600153, which is principally engaged in supply chain operations, real estate development, home furnishing mall operations and other businesses. According to the 2025 annual report of Xiamen C&D, C&D Group is a controlling shareholder of Xiamen C&D and held approximately 46.79% of the total issued shares of Xiamen C&D. C&D Group is wholly owned by the State-owned Assets Supervision and Administration Commission of Xiamen Municipal People's Government* (廈門市人民政府國有資產監督管理委員會). As at the Latest Practicable Date, Xiamen C&D and parties acting in concert with it held in aggregate approximately 29.96% of the issued share capital of the Company, and is therefore a substantial shareholder of the Company.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Xiamen C&D directly and indirectly through Lianfa Group Co., Ltd. (聯發集團有限公司) holds 1,304,242,436 shares of the Company, representing approximately 29.96% of the total issued share capital of the Company. Therefore, Xiamen C&D is a substantial shareholder of the Company and a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Accordingly, the Transactions contemplated under the Loan Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the Transactions contemplated under the Loan Framework Agreement are not secured by any assets of the Group and are conducted on normal commercial terms, which are in the interests of the Company and its Shareholders as a whole, they are fully exempt from all reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As the A Shares are listed on the Shanghai Stock Exchange, the Company will continue to be subject to and regulated by the SSE Listing Rules and other applicable laws and regulations in the PRC. The requirements of the Listing Rules in relation to connected transactions are different from those of the SSE Listing Rules. Therefore, a connected transaction under the Listing Rules may or may not constitute a related party transaction under the SSE Listing Rules, and vice versa.

According to the SSE Listing Rules and the Articles of Association, the Loan Framework Agreement and the transactions contemplated thereunder have to be submitted to the 2025 AGM for consideration and approval.

The abovementioned resolution has been considered and approved by the Board and is hereby proposed at the 2025 AGM for Shareholders' consideration and approval.

Xiamen C&D, and Lianfa Group Co., Ltd., are regarded as having a material interest in the Loan Framework Agreement and will abstain from voting at the 2025 AGM on the ordinary resolution to approve the Transactions between the Company and Xiamen C&D under the Loan Framework Agreement.

In 2025, the Board led the management in continuing to operate in a stable manner by actively coping with challenges and overcoming difficulties. In respect of corporate governance, the Board was in strict compliance with the relevant requirements of the Company Law, listing regulatory regulations and corporate rules and systems in performing its responsibilities and safeguarding the overall interests of all Shareholders and the Company. The major work of the Board in 2025 is presented as follows, and the capitalized terms used herein shall have the same meanings as those defined in the 2025 annual report of the Company:

I. MAJOR WORK OF THE BOARD IN 2025

As of 31 December 2025, the Board convened 6 general meetings for the year, at which 24 resolutions were considered and passed, and held 26 meetings of the Board, at which 74 resolutions were considered and passed. For the four special committees under the Board, the Strategy and Investment Committee held 1 meeting; the Audit Committee held 4 meetings; the Remuneration and Evaluation Committee held 4 meetings; and the Nomination Committee held 5 meetings. For the matters considered and discussed at the meetings, please refer to the 2025 annual report of the Company.

During the Reporting Period, the Board was responsible for the holding of the general meeting and performed the following duties: to approve and supervise all policy issues, overall strategy, budget, internal control and risk management system, material transactions (especially the transactions in which the parties with conflict of interests may be involved), appointment of senior management, and other material financial and operating affairs. The Directors may seek for independent professional opinions when fulfilling their duties and the relevant costs incurred will be borne by the Company. In the decision-making process, they are able to fully consider the interests and needs of minority Shareholders, ensure the scientific and fair nature of decisions, and promote the continuous, stable and healthy development of the Company's production and operation activities.

II. 2025 PERFORMANCE

(I) Financial Results

During the Reporting Period, the Company recorded a revenue of RMB6.58 billion and a net profit attributable to shareholders of the Company of RMB-23.72 billion. The loss was primarily due to the significant loss from changes in the fair value of the Company's investment properties, as well as an increase in asset impairment losses and credit impairment losses arising from various asset impairments. Affected by industry fluctuations in the past two years, the fair value and realisable value of the Company's various assets have also been affected to varying degrees. The Company has assessed the fair value and net realisable value of its various assets as of the end of 2025, and has accordingly made provisions for corresponding losses from changes in fair value and impairment. Among them, the loss from changes in fair value was mainly attributable to the significant changes in the industry and market environment in which the Company operates for two consecutive years, and the changes in expectations brought about by the substantial fluctuations in the Company's performance over the past two years. Affected by the continued downturn in the real estate industry and declining demand in the home improvement materials industry, demand in the home retail market weakened. The Company has continuously implemented

rent and management fee reductions to retain tenants and stabilize business operations. At the same time, the Company has proactively adjusted its strategy and category layout, attracting high-quality business formats and brands with favourable commercial conditions, and offering rent and management fee concessions during the initial expansion phase. As a result, rental and management income has been significantly impacted, and the rental level has shown a significant decline compared to previous years. As market expectations for future rents have shifted and the estimate for a short-term recovery in rental prices needs to be adjusted, the Company has accordingly adjusted its expectations for future rental income, resulting in a significant decrease in the value of investment properties. For 2025, the Company's total loss from changes in fair value amounted to RMB23.44 billion. In addition, due to changes in the market environment, the Company's historical investments in various assets, including land leveling rights and project development expenditures, long-term equity investments, financial assistance, accounts receivable and contract assets, goodwill, and fixed assets, are closely related to the value of the Company's investment properties, the expected future cash flows of the assets, and the current market realisation of the assets. The impairment of investment properties and adjustments to future income expectations will also lead to significant impairments in other assets. For 2025, the Company's total impairment loss amounted to RMB3.90 billion.

The impairment of the above-mentioned matters will not affect the Company's future operating capability, the cash-flow generation capability of its currently held properties, or its current debt-servicing capability. It will not hinder the overall stabilization and recovery of the Company's operations, and will not alter the current status of significant optimisation and improvement in the Company's occupancy rate and net cash inflow from operating activities. The Company's shopping mall leasing and operation business still achieved relatively stable profitability. The net cash inflow from operating activities for 2025 was RMB816,466,717.67, representing a relatively fast recovery compared to RMB216,373,750.36 in 2024.

In alignment with the national "15th Five-Year Plan" and the new market environment, the Company will proactively adjust and upgrade its strategic positioning to a "new commercial operator for home living and a service provider for the home furnishing industry ecosystem", focusing on upgrading its core home furnishing business, while expanding home furnishing industry ecosystem services, building a second growth curve, improving the Company's operating performance as soon as possible, reversing the Company's current loss-making situation, and achieving enhancement in both scale and value.

As of 31 December 2025, the Company operated 74 Portfolio Shopping Malls with an average occupancy rate of 85.0%, 218 Managed Shopping Malls with varying degrees of management depth with an average occupancy rate of 82.9%, and 7 home furnishing malls through strategic cooperation. In addition, the Company authorized 19 franchised home improvement material projects by way of franchising, which included a total of 345 home improvement material stores/industry streets. They covered 181 cities in 30 provinces, municipalities and autonomous regions across the country, with a total operating area of 19,134,800 sq.m.

(II) BUSINESS REVIEW

1. Focusing on the Core Home Furnishing Business to Enhance Market Competitiveness

During the Reporting Period, the Company made steady progress in category development, business planning, occupancy rate improvement, resource integration, rent management, and leasing management, and continued to make breakthroughs and innovations in category expansion.

(1) In-depth Operation of Core Categories with Remarkable Results from Pilot Projects

Full-speed advancement of the High-end Electrical Appliances (MEGA-E) strategy: During the Reporting Period, the operating area of electrical appliance pavilions reached 1,405,000 sq.m., with the proportion of leasable area increasing to 10.1%. The Company adopted a "project team mechanism" to create model shopping malls, successfully solidifying six major scenarios including Smart Life (潮電薈), Audio-Visual Hub (影音匯), and Kitchen Space (廚房空間), forming a standardized product matrix. Among them, the MEGA-E flagship store at Shanghai Store No. 1 reopened after renovation, doubling its area to 30,000 sq.m. and increasing the number of brands to 100. The Smart Life (潮電薈) module was rolled out to 41 stores nationwide, becoming a growth driver for the home appliance category.

Sudden rise of new retail furniture: The Company seized the dividend of being the preferred channel for online brands to establish an offline presence. The area for the new retail furniture category increased by 51.5% year-on-year to 184,000 sq.m., becoming the fastest-growing secondary category. By organizing national roadshows and pioneering a "New Retail Zone" at the China International Furniture Fair (Shanghai), the Company attracted over 20 leading brands, including Yeswood (源氏木語) and Chuhu (出乎), and has selected 43 shopping malls nationwide for model replication.

M+ High-End Home Improvement Design Center for front-end customer acquisition: The Company drives associated sales with design as the engine. As of the end of the Reporting Period, the total area of the design centers reached 708,000 sq.m. Empowered digitally through the official mini-program matrix, it brought together over 6,300 professional designers and held more than 500 IP events throughout the year to enhance customer stickiness, ultimately leveraging referred sales of over RMB150 million and effectively realizing a closed loop of "design-driven traffic + in-mall conversion".

(2) Cross-industry Integration of "People-Vehicle-Home" Ecosystem with Various Emerging Business Formats Flourishing

Rapid growth of the automotive business format: The Company deepened the "brand cluster + scenario linkage" model. As of the end of the Reporting Period, the operating area of the automotive business format doubled from 160,000 sq.m. to 320,000 sq.m., covering 46 cities nationwide. The Company has cooperated deeply with over 30 car companies and platforms, successfully converting mid-to-high-end family customer groups into automotive consumption traffic, creating several industry benchmark projects such as Chongqing Oulu Automobile Port, and completing the "People-Vehicle-Home" consumption closed loop.

Comprehensive coverage of supporting catering formats: The Company is committed to enhancing the lifestyle functions of its shopping malls. The nationwide area for catering formats reached 92,000 sq.m., and the catering coverage rate in Portfolio Shopping Malls increased to 96%. Through strategic cooperation with chain brands such as Starbucks and Dicos, and by actively introducing emerging traffic-driving brands like Tims and Cotti, the Company has significantly optimized the consumer's in-store experience and dwell time.

Forward-looking layout of innovative categories: The Company actively explored market gaps and successfully created the Shanghai "Hill - Red Star Macalline Aesthetics of Life Pavilion for the Silver-Haired", seizing a new opportunity in the wellness and elderly care home furnishing sector. Meanwhile, niche vertical categories such as custom metal works have achieved steady expansion nationwide.

2. Strengthening Merchant and User Operation Management, and Achieving Synergy through Digital Intelligence and Service Ecosystem

During the Reporting Period, the Company's operational management system was closely driven by the dual cores of "enhancing user value" and "empowering merchant operations". Through the iteration of digital tools, deep alignment with national policies, and the construction of a full-chain service system, the quality and efficiency of on-site operations were comprehensively improved.

(1) Leapfrog Growth in Digital Membership Operations

The Company completed a comprehensive restructuring of its official mini-program's functions, integrating features such as online customer service, intelligent customer service, and a designer portal, which significantly enhanced user reach and conversion capabilities. As of the end of the Reporting Period, the mini-program covered 225 shopping malls, with platform PV (page views) reaching 23.66 million, a significant year-on-year increase of 161%, and UV (unique visitors) increasing by 94% to 2.8 million. Digital operations directly empowered performance growth, with the number of spending

registered members accounting for 39.8% of the total number of customers in the unified cashier system; consumption contributed by members reached RMB10.0 billion, accounting for 47.7% of the total amount in the unified cashier system, with the proportion increasing by 84% year-on-year.

(2) Precisely Aligning with the National "Trade-in" Policy to Unleash Consumption Momentum

The Company took the lead in responding to national policies, creating industry-leading "trade-in" publicity through dual government-enterprise subsidies, company-wide live streaming, and nationwide coordinated efforts. In 2025, shopping malls nationwide cumulatively achieved 1,029,000 sales orders under the national subsidy program, with a cumulative sales amount of RMB9.91 billion, of which the government subsidy investment amounted to RMB1.60 billion. The "Trade-in" policy drove balanced growth across all categories, with electrical appliances accounting for 38.7% of sales, building materials for 33.8%, and furniture for 27.5%, effectively boosting the operating confidence of in-mall merchants.

(3) Building a Full-Lifecycle Service Ecosystem to Reshape Brand Reputation

The Company adheres to a "customer first" orientation, enhancing its differentiated competitiveness by improving the service chain and expanding value-added services such as extended warranties for home appliances, maintenance, recycling, and 3C product repairs. The Company developed 49 extended warranty products. Leveraging the essential, mass-market, and high-stickiness characteristics of 3C digital product services, it expanded its offerings to include 377 products such as mobile phone repairs. It also built up its recycling service capabilities, unified recycling standards and service systems, integrated recycling services into the home furnishing mall scenario, and added 30 new recycling service products across three major categories: small home appliance recycling, cleaning appliance recycling, and smart digital product recycling. During the Reporting Period, the service center model was implemented. The nation's first Red Star Macalline Service Center was officially launched at the Shanghai Global Home Furnishings Store No. 1, featuring functional zones for repairs and cleaning, cashier commitments, and beverage and leisure, marking a transformation from a simple shopping space to a quality lifestyle service platform. During the Reporting Period, the Company achieved full-process service quality control, with an overall order positive rating of 98.90% and a comprehensive service satisfaction rate of 95.81%.

(4) Continued Strengthening of Operational Professionalism and Risk Control Systems

In terms of talent quality improvement, the Company adopted the "All-Round User Operations Class" and the Dragon E-learning "Operations Bible" to achieve precise talent inventory and professional skill empowerment along operational lines. In terms of risk control and quality standards, it organized risk assessments for over 30,000 operating brands nationwide. It adhered to regular environmental protection and quality spot checks, achieving zero major green and environmental quality incidents for the year, with an overall pass rate of 98.9% in environmental quality inspections.

3. Strengthening Brand Momentum, Deepening Omni-channel Traffic and Digital Marketing

During the Reporting Period, the Company's marketing and branding efforts focused on "brand upward, traffic downward". By leveraging major event marketing to enhance public awareness and deeply empowering the front line with digital tools, it achieved synergistic growth in both brand publicity and sales conversion.

(1) Significant Enhancement of Brand Momentum through Major Events and Top-Tier Resource Empowerment

Leveraging top-tier sporting events, it was the title sponsor of the 2025 Wanda Diamond League Red Star Macalline Xiamen Meeting, achieving a media communication value of RMB1.417 billion through linkage with the international event. It held multiple events with top-tier celebrity endorsers, achieving over 2 billion topic reads across the internet, securing 31 trending topic spots at zero cost, and successfully boosting both the reputation and sales of the shopping malls in the two locations. Adhering to the application of "original content + AI tools", the total number of followers across all platforms exceeded 5.05 million, with 210 pieces of content published throughout the year, steadily consolidating the brand's self-media influence.

(2) Breakthrough in Omni-channel Traffic Operation Model, Driving Efficient Conversion of Customer Resources

The Company achieved a strategic transformation from a single channel to a multi-platform matrix, with its online traffic acquisition capabilities continuously strengthening. Building a multi-platform traffic matrix, it integrated multiple platforms such as Douyin Local Life (TikTok), Tmall Tongcheng Station, Amap (高德地圖), Meituan-Dianping, and WeChat mini-programs, acquiring 630 million online traffic views throughout 2025. Among them, emerging platforms Meituan (美團) and Amap contributed over 70,000 incremental customer leads. In terms of live-streaming marketing, online marketing launched IP events such as "Super Star Anchor", achieving a 96% year-on-year increase in customer lead acquisition. The Douyin Local

Life business performed impressively, with an in-store redemption rate for product and benefit vouchers exceeding 40%, representing a year-on-year increase of 95%. In terms of private domain cultivation and empowerment, the Company strengthened the operation of Enterprise WeChat and designer mini-programs. Enterprise WeChat covered over 200 shopping malls, adding over 1 million new friends and generating associated sales of RMB5.76 billion.

(3) Cross-border Resource Integration and Category-Specific Communication

During the Reporting Period, the Company deepened its resource integration with the controlling shareholder Xiamen C&D Inc., and conducting brand promotion in conjunction with events such as the Diamond League and the Xiamen Marathon. Relying on the property resources of C&D/Lianfa, it achieved in-depth cooperation on 76 properties in 20 cities, acquiring over 14,000 customers and generating a conversion amount of approximately RMB150 million. It implemented dedicated communication campaigns for "Smart Electrical Appliances 2.0" and "M+ High-End Home Improvement Design Center", collaborating with key opinion leaders such as WU Sheng and QIN Shuo, achieving online exposure of over 160 million and 236 million, respectively. At the same time, by adopting innovative narratives, it empowered the automotive and new retail home furnishing businesses, supporting investment attraction and partnership expansion for innovative categories.

(4) Marketing Innovation and Cost-Effectiveness Control

In 2025, the Company's IP marketing was upgraded, with the two core promotions, "315" and "818", achieving innovative breakthroughs. During the "315" period, by adopting a "talk show" format to focus on core advantages, it generated total exposure of over 50 million, and sales during the period increased by 33% year-on-year. During the Reporting Period, cost control efficiency improved significantly. While enhancing brand publicity, the Company, by optimizing authorization and process control, achieved a 30.8% year-on-year decrease in the basic planning budget for Portfolio Shopping Malls. Against the backdrop of rising customer acquisition costs, the average transaction value per customer increased by 37% year-on-year, ensuring the controllability of overall cost-effectiveness.

4. Accelerating Digital and Intelligent Transformation to Build a New Ecosystem for Smart Home Furnishing Retail

During the Reporting Period, with "business empowerment, process efficiency improvement, model-driven approaches, and intelligent applications" as its core, the Company fully launched its new five-year digital and intelligent strategic plan. By implementing key digital applications, deepening data governance, and exploring artificial intelligence scenarios, it provided high-quality technological support for the Company's strategic execution and stable operations.

(1) Deep Integration of Business and Finance to Drive Upgrades in Management Efficiency

The Company focused on the digital reshaping of core business chains, significantly enhancing financial automation and management precision. In terms of business process automation, it quickly launched a full-chain platform for the "Trade-in" policy, achieving fully automated processing of government subsidies and supporting the achievement of RMB9.91 billion in trade-in sales. In terms of improving settlement and reporting efficiency, it delivered an order and cashier optimization project, built an independent and controllable settlement system, and increased order-taking efficiency by 40%; launched a consolidated financial statement system, improving processing time by over 40%. In terms of upgrading the process hub, it integrated multiple systems through a "unified to-do center", increasing approval efficiency by over 30%. Utilizing a low-code platform, it achieved 234 process iterations, drastically reducing the approval cycle from 5.7 days to 2.1 days.

(2) Data Model-Driven to Assist Scientific Business Decision-Making

The Company continued to solidify its data foundation, transforming data assets into decision-making momentum. It enhanced the standardization of data governance, completed the construction of "Data Warehouse 2.0", unified approximately 200 atomic indicators, and improved data development efficiency by 50%. It launched the "Business Dashboard", covering 6 major thematic areas and over 300 indicators, achieving unified metrics from headquarters to regions and enabling flexible drill-down analysis. It improved the precision of risk assessment, iterated the merchant evaluation model, provided risk ratings for over 140,000 merchants annually, effectively consolidating operational quality and providing early warnings for business risks.

(3) Exploration of AI Scenarios to Empower Front-line Business Growth

The Company actively piloted artificial intelligence technology to enhance user experience and R&D efficiency. In terms of enterprise-level AI platforms, it built a unified AI service platform, increasing the delivery efficiency of intelligent applications by 50%; adopted a performance file AI assistant to improve the efficiency of learning from and promoting the Company's excellent cases, helping provincial operations and development teams to quickly accumulate business experience and empowering front-line teams to enhance operational quality; achieved a closed loop for intelligent services by creating a mini-program AI customer service, enabling second-level responses and precise Q&A, and accumulating high-intent customer leads to empower marketing; in the integrated inventory mall, adopted AI-powered intelligent recommendations for cross-merchant packages to optimize the user's selection experience; enhanced R&D efficiency by introducing an intelligent code assistant, which increased development efficiency by over 30% and significantly accelerated the intelligent upgrade of the R&D system.

(4) Solidifying the Security Foundation to Ensure Stable Operations

The Company continued to strengthen the stability and security of its digital infrastructure. During the Reporting Period, it completed the Group's first practical attack-defense drill, successfully intercepting over 500 million external attacks; by adopting architectural optimization and cloud resource governance, it effectively saved operational costs while ensuring system availability of over 99.9%.

III. DEVELOPMENT PLANS FOR 2026 AND BEYOND

The specific business plans for 2026 is as follows:

(I) Promoting the High-Quality Development of the Core Home Furnishing Business

The Company will enhance its professional operational capabilities, learn from the "first-store economy" model of commercial complexes, and increase project attractiveness, customer traffic, and commercial value; focus on creating 13 model shopping malls for Electrical Appliances 2.0 MEGA-E Smart Electric Oasis, and promote new scenario experiences and ecological innovation for electrical appliances; systematically promote the improvement of professional operational levels by adopting a "benchmark leadership" plan; innovate planning and marketing by implementing a dual-track strategy of "deep cultivation of core channels + exploration of high-potential channels"; strengthen refined management capabilities, leverage centralized procurement advantages to reduce procurement costs, and improve the level and efficiency of procurement management; iterate comprehensive budget management, and continuously optimize the alignment of the remuneration structure with business development goals.

(II) Revitalizing Existing Assets to Unleash Asset Value

The Company will focus on the refined operation of existing assets, enhance the returns of high-quality but underperforming assets through revitalization methods such as asset renewal and entrusted operation, optimize the asset portfolio through disposal methods like equity transfers and asset swaps, and establish a complete exit loop through capitalization paths such as REITs issuance and equity cooperation. It will accelerate the pace of asset inventory, assess and formulate policies for legacy issues, and promptly eliminate problematic projects. It will align professional capability building in areas such as asset due diligence valuation and capital operation implementation with targeted performance incentives, to achieve the goals of "value-based operation, efficient turnover, and risk isolation" for heavy assets, thereby solidifying the asset foundation for Red Star Macalline's development.

(III) Consolidating the Asset-Light Operation Business

The Company will promote the investment and expansion business of asset-light operation companies in various provinces, advance the standardized construction of the new managed-mall model, accelerate the high-quality and efficient implementation of asset-light projects, and focus on deepening the core direction of commercial content recreation, including but not limited to the three major strategies of packaging, scenario-based offerings, and home living department store integration, to continuously unleash the value of asset-light operations, expand the scale of operations, and improve operational quality.

(IV) Advancing Innovation in Commercial Content and Business Models

The Company will actively develop new brands, new categories, and new merchants, deeply cultivate shopping guide resources, benchmark against advanced business models such as peer complexes, tap into market potential, and promote innovation in business operations. The Company will explore opportunities for business model transformation, grasp industry development laws and market trends, adjust its business model in a timely manner to enhance competitiveness, and transform from a leasing business to a commercial operation business.

(V) Incubating the Second Growth Curve

The Company will actively expand its industrial ecosystem, supply chain services, decoration business, and overseas business. In terms of supply chain business, it will leverage the over RMB2 trillion resource scale of the Red Star Macalline industry ecosystem to explore business opportunities on the B2B market side, while also considering incubating businesses through internal, external expansion, integrated, and other paths. In terms of decoration business, it will promptly implement relevant working mechanisms for the business start-up phase, encourage innovative business models, and implement resource allocation and differentiated assessment and incentive mechanisms to build competitiveness. In terms of overseas business, it will leverage C&D Group's extensive experience in international supply chain operation services and Red Star Macalline's brand influence to help China building material and home furnishing brands go overseas, and jointly explore implementation paths for the asset-light output of home furnishing malls.

(VI) Strengthening Financial and Technological Empowerment

The Company will focus on diversification, low cost, and structural optimization to continuously enhance capital allocation efficiency and financing capabilities. Actively promote the issuance and listing of REITs to expand equity financing channels; deepen cooperation with various financial institutions, actively explore financing channels, and expand the scale of financing; optimize the financing structure and reduce the overall finance cost; actively utilize domestic and foreign capital market platforms for refinancing to leverage the value of capital platforms.

The Company will promote technological empowerment, increase investment in projects urgently needed by front-line businesses, and deepen the construction of a full-cycle management system for shopping malls; implement an integrated platform for assets, finance, and taxation to enhance the level of business-finance integration; build a "User Connect" omni-channel traffic operation system; develop a unified national parking lots smart parking management platform; build a unified collaborative office platform; reconstruct the human resources digital platform; deeply explore high-value AI application business scenarios to achieve a dual enhancement of business empowerment and user experience.

(VII) Optimizing Organizational Structure to Ensure Strategic Execution

The Company will streamline and eliminate some inefficient and ineffective businesses and accelerate the layout of new businesses; promote the dynamic adjustment of existing businesses through integration, transformation, and upgrading; enhance organizational decision-making efficiency to ensure the effective execution of all strategic plans and operational strategies.

(VIII) Building a High-Quality Team of Cadres and Talents

The Company will promote the cultivation and echelon construction of young business backbones and cadres; establish a regular mobility and rotation mechanism; improve the quantity and quality of talent introduction through the "Star Power" program; upgrade the "Youth Luban" talent inventory project.

(IX) Strengthening the Defense Line of Risk Control, Compliance, and Safety Management

The Company will strengthen the assessment of merchants' operational health, reduce the risk of merchants absconding, and decrease the occurrence of bad debt from rent receivables; promote the standardized, standardized, and systematic construction of the safety production management system; optimize the assessment and evaluation mechanism to ensure a closed loop of responsibility, implementation of management, and elimination of hidden dangers; focus on key risks to carry out audit supervision work and give full play to the role of economic responsibility audits.

IV. FINAL DIVIDEND DISTRIBUTION PLAN FOR 2025

On the basis of the audited results for 2025, the Company recorded revenue of RMB6,581,940,812.80 and net profit attributable to shareholders of the Company of RMB-23,722,257,667.01. In view of the fact that the net profit attributable to the shareholders of the Company was negative in 2025 and no profit was realized, on the premise of ensuring normal operations and long-term development of the Company, the Board, while taking into account the sustainable development plan, profitability, business plan and capital arrangements of the Company, and in accordance with relevant laws, regulations and the Articles of Association, proposes that the final dividend distribution of the Company for 2025 be as follows: no cash dividend will be distributed and no capital reserve will be converted into share capital in 2025.

RED STAR MACALLINE GROUP CORPORATION LTD.

REMUNERATION MANAGEMENT SYSTEM FOR DIRECTORS AND SENIOR MANAGEMENT

Article 1 To further improve the corporate governance structure of Red Star Macalline Group Corporation Ltd. (the "**Company**"), and to strengthen and regulate the management of the remuneration of the Company's directors and senior management, this system is formulated in accordance with the provisions of relevant laws, regulations, and normative documents such as the Company Law of the People's Republic of China and the Code of Corporate Governance for Listed Companies, as well as the provisions of the Articles of Association of Red Star Macalline Group Corporation Ltd. (the "**Articles of Association**"), and in consideration of the actual circumstances of the Company.

Article 2 This system applies to all directors of the board of directors of the Company and all senior management personnel appointed by the board of directors.

Article 3 The remuneration management for the directors and senior management of the Company shall follow the following principles:

(I) Principle of alignment with the Company's long-term interests: Remuneration shall be consistent with the Company's goal of sustained and healthy development, combining short-term and long-term incentives to promote the Company's sustainable development.

(II) Principle of matching rights, responsibilities, and benefits: The basic salary and remuneration standards shall be determined based on factors such as job position, work performance, level of contribution, and the alignment of responsibilities and authorities;

(III) Principle of performance linkage: Annual remuneration shall be linked to the completion of individual position responsibility targets, and aligned with the Company's operating results, annual assessment results, and code of conduct.

Article 4 The remuneration plan for the directors and senior management of the Company shall be formulated by the remuneration and evaluation committee of the board of directors (the "**Remuneration and Evaluation Committee**"), which shall specify the basis for determining remuneration and its specific composition. The remuneration plan for directors shall be submitted to the general meeting for decision after consideration and approval by the board of directors, and shall be disclosed. Where the board of directors or the Remuneration and Evaluation Committee evaluates an individual director or discusses his/her remuneration, such director shall abstain.

The remuneration plan for senior management shall be approved by the board of directors, explained at the general meeting, and disclosed.

Article 5 The remuneration of the directors and senior management of the Company is as follows:

(I) Independent Directors:

The Company shall implement a fixed allowance system for its independent directors, the standard of which shall be determined by the general meeting. In addition to the above allowances, independent directors shall not obtain other benefits from the Company, its substantial shareholders, de facto controllers or interested units and individuals. Reasonable expenses required by the independent directors of the Company for performing their duties shall be borne by the Company.

(II) Non-independent Directors:

For non-independent directors holding specific positions in the Company (including directors serving as senior management or other specific positions and employee representative directors), their remuneration standards and performance assessment shall be implemented in accordance with the remuneration standards for full-time positions or senior management, and they shall not receive separate director's remuneration.

Non-independent directors who do not hold specific positions in the Company shall, in principle, not receive director's remuneration from the Company. If it is necessary to receive director's remuneration, it shall be determined by the general meeting.

(III) Senior Management: The remuneration of the Company's senior management shall be comprehensively assessed based on factors such as the specific management positions they hold in the Company, their actual work performance, taking into account the Company's annual operating results.

Article 6 The remuneration of the Company's directors and senior management shall consist of basic remuneration, performance-based remuneration, etc., of which the proportion of performance-based remuneration shall in principle be no less than 50% of the total of basic remuneration and performance-based remuneration.

The remuneration of the Company's directors and senior management shall be adapted to market developments, matched with the Company's operating results and individual performance, and aligned with the Company's sustainable development.

Article 7 The determination and payment of performance-based remuneration for the Company's directors and senior management shall be based on performance evaluation as an important basis.

The Company shall determine that a certain proportion of the performance-based remuneration for directors and senior management shall be paid after the disclosure of the annual report and performance evaluation, and the performance evaluation shall be conducted based on audited financial data.

Article 8 Where the Company makes a retrospective restatement of its financial reports due to misstatements such as financial fraud, it shall promptly re-assess the performance-based remuneration of directors and senior management and claw back the overpaid portion accordingly.

Where a director or senior management of the Company causes losses to the listed company due to a breach of duty, or is at fault for illegal and irregular acts such as financial fraud, misappropriation of funds, or illegal guarantees, the Company shall, depending on the severity of the circumstances, reduce or cease payment of unpaid performance-based remuneration, and fully or partially claw back the performance-based remuneration already paid during the period in which the relevant acts occurred.

Article 9 The allowances for the Company's independent directors shall be paid at the time stipulated in the appointment contract.

The payment of remuneration for the Company's non-independent directors and senior management shall be implemented in accordance with the relevant systems of the Company.

Article 10 The remuneration or allowances of the Company's directors and senior management are all pre-tax amounts. The Company will, in accordance with the relevant regulations of the state and the Company, withhold and pay individual income tax and the portion of various social insurance premiums to be borne by the individual from the remuneration or allowances, and the remaining portion will be paid to the individual.

Article 11 If a director or senior management of the Company leaves office due to reasons such as expiration of their terms of office, re-election, or resignation during the term of office, the allowance or remuneration shall be calculated and paid based on their actual term of office and actual performance.

Article 12 The remuneration system for the Company's directors and senior management shall serve the Company's business strategy and be adjusted accordingly with the continuous changes in the Company's operating conditions.

Article 13 If the Company turns from profit to loss or its loss expands compared to the previous fiscal year, and the average performance-based remuneration of directors and senior management has not decreased accordingly, the reasons shall be disclosed.

When the Company incurs a loss, it shall, at each stage of the deliberation on the remuneration of directors and senior management, specifically explain whether the changes in the remuneration of directors and senior management comply with the requirements of performance linkage.

Article 14 For matters not covered by this system or in case of any inconsistency with relevant laws, regulations, normative documents, and the relevant provisions of the Articles of Association, the provisions of the relevant national laws, regulations, normative documents, and the Articles of Association shall prevail.

Article 15 This system shall be subject to the interpretation by the board of directors of the Company.

Article 16 This system shall come into effect and be implemented from the date of its consideration and approval by the Company's general meeting, and the same shall apply to its amendment.

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 AGM

NOTICE IS HEREBY GIVEN that the 2025 annual general meeting (the "**AGM**") of Red Star Macalline Group Corporation Ltd. (the "**Company**") will be held at 2:30 p.m. on Monday, 22 June 2026 at Conference Center, 3/F, South Building, Block B, Macalline Global Center, Lane 1466, Shenchang Road, Minhang District, Shanghai, the People's Republic of China (the "**PRC**") for the purpose of considering, and if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

To consider and approve:

1. The work report of the Board of the Company for 2025;

2. The profit distribution plan of the Company for 2025;

3. The resolution concerning the formulation of the Remuneration Management System for Directors and Senior Management of Red Star Macalline Group Corporation Ltd.;

4. The resolution concerning the confirmation of the remuneration of Directors of the Company for 2025 and the remuneration plan for 2026;

5. The resolution concerning the re-appointment of the auditor for the financial report and the internal control auditor of the Company for 2026.

6. The resolution regarding the Company's application for borrowings and continuing connected transactions with its substantial shareholders (including approval of the Loan Framework Agreement, the transactions thereunder and the annual caps).

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

Shanghai, the PRC
29 May 2026

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 29 May 2026 (the "**Circular**"). Details of the resolutions are set forth in the Circular.

2. For the purpose of holding the AGM, the register of members of H shares of the Company will be closed from Tuesday, 16 June 2026 to Monday, 22 June 2026 (both dates 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 AGM, 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, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 15 June 2026 for registration. Shareholders whose names appear on the register of members of the Company on Tuesday, 16 June 2026 are entitled to attend and vote at the AGM.

3. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a shareholder of the Company.

4. The instrument appointing a proxy must be in writing under the hand of a shareholder or his/her 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, Wanchai, Hong Kong not less than 24 hours before the time for holding the AGM. If the proxy form is signed by a person under a 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 AGM 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 AGM. If corporate shareholders appoint authorized representative to attend the AGM, the authorized representative shall produce his/her identification 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 AGM.

7. The AGM is expected to take for less than half a day. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.

8. All voting at the AGM will be conducted by poll.

9. Conference contact information

   Contact address: Securities Affairs Department, 8th Floor, North Building, Block B, Macalline Global Center, Lane 1466, Shenchang Road, Minhang District, Shanghai
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