
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any of the contents of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Red Star Macalline Group Corporation Ltd., you should at once hand this circular together with the proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Red Star Macalline Group Corporation Ltd.
紅星美凱龍家居集團股份有限公司

(A sino-foreign joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1528)

**THE RESOLUTION ON THE TERMINATION OF CERTAIN A-SHARE
PROCEEDS INVESTMENT PROJECTS OF THE COMPANY AND
PERMANENT SUPPLEMENT
OF WORKING CAPITAL WITH THE REMAINING PROCEEDS
THE RESOLUTION ON THE ESTIMATED GUARANTEE AMOUNT
FOR THE YEAR 2026
AND
NOTICE OF THE 2026 SECOND EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 3 to 15 of this circular. An EGM of the Company will be held at 2:30 p.m. on Friday, 18 September 2026 at Conference Center, 3/F, South Building, Block B, Macalline Global Center, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC. A notice of the EGM, together with this circular, will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.chinaredstar.com).

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the proxy form in accordance with the instructions printed thereon. The proxy form must be signed by you, or your attorney duly authorized in writing or, in case of a legal person, must either be executed under its seal or under the hand of its director or other attorney duly authorized to sign the same. If the proxy form is signed by an attorney of the appointor, the power of attorney 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 EGM, either in person or by proxy in respect of such Shares.

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

2 September 2026

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
I. INTRODUCTION	3
II. TERMINATION OF CERTAIN A-SHARE PROCEEDS INVESTMENT PROJECTS OF THE COMPANY AND PERMANENT SUPPLEMENT OF WORKING CAPITAL WITH THE REMAINING PROCEEDS	4
III. THE ESTIMATED GUARANTEE AMOUNT FOR THE YEAR 2026	9
IV. THE 2026 SECOND EXTRAORDINARY GENERAL MEETING	14
V. RECOMMENDATION	15
VI. RESPONSIBILITY STATEMENT	15
NOTICE OF THE 2026 SECOND EXTRAORDINARY GENERAL MEETING	16

DEFINITIONS

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

“A Share(s)”	the ordinary share(s) issued by the Company, with a nominal value of RMB1.0 each, listed on the Shanghai Stock Exchange and traded in RMB
“A Share Shareholder(s)”	the holder(s) of A Share(s)
“Articles of Association”	the Articles of Association of Red Star Macalline Group Corporation Ltd., as amended, modified or otherwise supplemented from time to time
“Board”	the board of directors of the Company
“Company”	Red Star Macalline Group Corporation Ltd., 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 Stock Exchange (stock code: 1528)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the 2026 second extraordinary general meeting to be convened and held on Friday, 18 September 2026
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign ordinary share(s) with a nominal value of RMB1.0 each in the share capital of the Company, listed on the Stock Exchange and traded in Hong Kong dollars
“H Share Shareholder(s)”	the holder(s) of H Share(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	31 August 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

DEFINITIONS

“New Mandate”	the mandate to be proposed at the EGM to approve the provision of guarantees by the Company and its subsidiaries to the guaranteed parties in a total amount not exceeding RMB7,500 million
“PRC” or “China”	the People’s Republic of China, but for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange” 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)
“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
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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

LETTER FROM THE BOARD



Red Star Macalline Group Corporation Ltd.
紅星美凱龍家居集團股份有限公司

(A sino-foreign joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1528)

Executive Directors:

Mr. LI Yupeng (*Chairman*)
Mr. 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

2 September 2026

To the Shareholders,

Dear Sir or Madam,

**THE RESOLUTION ON THE TERMINATION OF CERTAIN A-SHARE
PROCEEDS INVESTMENT PROJECTS OF THE COMPANY AND
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NOTICE OF THE 2026 SECOND EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to provide you with the notice of the EGM and the information on certain resolutions to be proposed for consideration at the EGM, in order to enable you to make informed decisions on whether to vote for or against or abstain from voting on such resolutions at the EGM.

LETTER FROM THE BOARD

Ordinary resolutions to be proposed at the EGM for the Shareholders to consider and approve include: (1) the resolution on the termination of certain A-Share proceeds investment projects of the Company and permanent supplement of working capital with the remaining proceeds; and (2) the resolution on the estimated guarantee amount for the year 2026. These resolutions are subject to the approval of the Shareholders at the EGM by way of ordinary resolutions.

II. TERMINATION OF CERTAIN A-SHARE PROCEEDS INVESTMENT PROJECTS OF THE COMPANY AND PERMANENT SUPPLEMENT OF WORKING CAPITAL WITH THE REMAINING PROCEEDS

Reference is made to the announcement of the Company dated 30 July 2026, taking into account its own operating conditions, strategic repositioning and the efficiency of the use of proceeds, and other factors, the Company proposes to use its own funds to pay the outstanding balance of the “Changsha Jinxia Shopping Mall Project” and the “New Intelligent Home Furnishing Shopping Mall Project”, both of which are fund-raising investment projects under the initial public offering of A Shares (hereinafter referred to as the “**Fund-raising Investment Projects**”). The Company also proposes to terminate the “Foshan Lecong Shopping Mall Project” and the “Nanning Dingqiu Shopping Mall Project” which are fund-raising investment projects under the 2020 non-public issuance, and to apply the unutilised proceeds from the corresponding fund-raising investment projects to permanently replenish the Company’s working capital by applying such proceeds in full and directly towards the repayment of the Shareholder loan from Xiamen C&D (the actual amount shall be subject to the balance of the designated account on the date of the fund transfer).

The details of the fund-raising investment projects before and after such changes are as follows:

I. Changes of Use of Proceeds

(I) Changes of Use of Certain Proceeds from the Initial Public Offering of A Shares

Unit: RMB’0,000

Proposed investment projects		Proposed use of proceeds ⁽¹⁾	This change in amounts	Total planned investment after this change
Home Furnishing Shopping Mall Construction Project	Changsha Jinxia Shopping Mall Project	16,318.09	-1,694.29	14,623.80
New Intelligent Home Furnishing Shopping Mall Project		11,727.64	-12.40	11,715.24

Note:

- (1) The change was made in accordance with the Resolution on the Conclusion, Extension, Suspension and Termination of Certain A-Share Proceeds Investment Projects of the Company, which was considered and approved at the third meeting of the fifth session of the Board and the 2023 annual general meeting.

LETTER FROM THE BOARD

(II) *Changes of Use of Certain Proceeds from the Non-public Issuance of A Shares*

Unit: RMB'0,000

Proposed investment projects		Proposed use of proceeds ⁽¹⁾	This change in amounts	Total planned investment after this change
Home Furnishing Shopping Mall Construction Project	Foshan Lecong Shopping Mall Project	100,000.00	-80,000.00	20,000.00
	Nanning Dingqiu Shopping Mall Project	56,000.00	-19,965.14	36,034.86

Note:

- (1) The change was made in accordance with the Resolution on the Change of Certain Proceeds Investment Projects, which was considered and approved at the 35th extraordinary meeting of the third session of the Board of Directors and the second extraordinary general meeting of 2018.

II. Reasons for Change of Use of Proceeds

(I) *Reasons for Proposed Use of the Own Funds for the Outstanding Balance of Certain Fund-raising Investment Projects*

The construction of the home shopping mall under the Company's "Changsha Jinxia Shopping Mall Project" had been completed, and the relevant certificate of completion acceptance for the construction site and planning had been obtained in July 2020. The Company had originally planned to reach the intended ready-for-use condition and conclude the project upon the opening of the shopping mall. Due to the slow progress of the development of the surrounding area of Jinxia commercial district in the early stage, and taking into account the tenant recruitment and operational effect of the shopping mall, the Company intends to commence tenant recruitment works for the Changsha Jinxia Shopping Mall after the surrounding ancillary plans are implemented, and will proceed with the opening of the shopping mall upon completion of the tenant recruitment process.

As the construction of Changsha Jinxia Shopping Mall has been completed and the need for construction investment funded by the proceeds raised has been substantially fulfilled, the Company concluded the aforementioned fund-raising investment project in 2024. Given that the aforementioned expected outstanding payments are primarily retention money for the construction of the Changsha Jinxia Shopping Mall, and the payment is contingent upon the expiry of the warranty period, quality acceptance of the project, and contractual terms, the actual payment is expected to require a certain period of time. After comprehensively considering the development of surrounding facilities for the Changsha Jinxia Shopping Mall and the subsequent arrangements for tenant recruitment and operation, and in order to avoid the long-term idling of funds, further enhance capital efficiency, and support the Company's daily operations and business development, the Company plans to re-allocate the expected outstanding payment of RMB16.9429 million for the "Changsha Jinxia Shopping Mall Project" to replenish the working capital on a

LETTER FROM THE BOARD

permanent basis, which, together with the remaining proceeds from the “New Intelligent Home Furnishing Shopping Mall Project”, will be applied in full and directly towards the repayment of the Shareholder loan from Xiamen C&D. Upon satisfaction of the payment conditions in the future, the Company will apply its own funds towards the relevant payments.

In recent years, as the new retail landscape and online business models in the home furnishing and furniture industries have been continuously evolving, the Company has, since 2022, conducted ongoing feasibility studies and assessments on the development direction and implementation progress of its new retail strategy. To enhance capital efficiency, the Company has terminated the “New Intelligent Home Furnishing Shopping Mall Project” in 2024. Given that the expected outstanding payments for the project are retention money for store decoration, and the payment is contingent upon the expiry of the warranty period, quality acceptance and contractual terms, the actual payment is expected to require a certain period of time. To further improve capital efficiency, the Company plans to re-allocate the expected outstanding payment of RMB124,000 for the “New Intelligent Home Furnishing Shopping Mall Project” to replenish the working capital on a permanent basis, which, together with the remaining proceeds from the “Changsha Jinxia Shopping Mall Project”, will be applied in full directly towards the repayment of the Shareholder loan from Xiamen C&D. Upon satisfaction of the payment conditions in the future, the Company will apply its own funds towards the relevant payments.

(II) *Reasons for the Termination of the Foshan Lecong Shopping Mall Project and the Nanning Dingqiu Shopping Mall Project*

1. Material adverse changes in the market conditions of the project locations

Nanning and Foshan are both highly competitive regions for the home furnishing market. In recent years, existing competitors and emerging business formats (such as home furnishing collective stores within shopping centers and full-service interior design companies) have continuously diverted customer traffic, leading to limited room for incremental growth. Against this backdrop, the establishment of a new large-scale stand-alone home furnishing mall in Nanning and Foshan would generate relatively low economic returns.

In 2024, the Company re-evaluated the Nanning Dingqiu Shopping Mall Project based on the premise of continued construction. It was originally scheduled to reach its intended usable state in 2026. However, considering the current increased difficulty in tenant recruitment, the extended incubation period after opening, and the pressure on expected rental levels, continued investment would significantly reduce the efficiency of fund utilisation, posing a risk that investment returns would not meet expectations and result in a substantial loss of the proceeds which would not be in the interests of the Company and its shareholders.

2. Repositioning of the Company’s development strategy

There was a change in the Company’s controlling shareholder and actual controller in June 2023. In light of the external macroeconomic environment

LETTER FROM THE BOARD

and its own capital and financial situation, the Company has re-planned its medium-to-long-term development strategy and capital investment plan. The new development strategy shifts the focus to an asset-light operating model, with the core objective of achieving stable operations by revitalising existing assets, optimising the cash flow structure, reducing the asset-liability ratio, and mitigating financial risks, while no longer making large-scale, high-risk heavy-asset investments.

3. Enhancing the efficiency of fund utilisation

The Company's asset-liability ratio has been at a relatively high level in recent years. Considering the current macroeconomic environment, the Company's financial structure, and its operational status, using the proceeds to replenish working capital (specifically, to apply in full and directly towards the repayment of the Shareholder loan from Xiamen C&D) can effectively optimise the Company's debt structure, improve its cash flow, and enhance its overall risk resilience and shareholder returns. This is more prudent and reasonable compared to investing in heavy-asset projects with uncertain prospects.

III. Plan for the Permanent Replenishment of Working Capital and Utilisation of the Remaining Proceeds

(I) *Plan for Utilisation of Permanent Replenishment of Working Capital for the "Changsha Jinxia Shopping Mall Project" and the "New Intelligent Home Furnishing Shopping Mall Project"*

In order to better utilise the proceeds, improve the efficiency of fund utilisation, enhance operational performance, and in line with the principle of maximising shareholder interests, the Company, pursuant to the SSE Listing Rules and Shanghai Stock Exchange Self-Discipline Supervision Guidelines for Listed Companies No.1 – Standardized Operation and other laws, regulations and normative documents, and in conjunction with its own development plans and actual business needs, proposes to use the remaining proceeds of RMB17.0669 million in total from the "Changsha Jinxia Shopping Mall Project" and the "New Intelligent Home Furnishing Shopping Mall Project" to permanently replenish working capital by applying such proceeds in full and directly towards the repayment of the shareholder loan from Xiamen C&D (the actual amount shall be subject to the balance of the dedicated proceeds account on the date of transfer). After the balance in the dedicated proceeds account is transferred out, the Company will close the dedicated proceeds account accordingly, and the monitoring agreement for the dedicated proceeds account signed with the sponsor and the account-opening bank will also be terminated.

As of the Latest Practicable Date, the Company had an outstanding Shareholder loan from Xiamen C&D in the amount of approximately RMB1,401.70 million, which carries an annual interest rate of 3.53% and is scheduled to be repaid in October 2026. The Company intends to apply the remaining proceeds of RMB17.0669 million in full and directly towards the repayment of the Shareholder

LETTER FROM THE BOARD

loan from Xiamen C&D. Repaying the aforesaid Shareholder loan with the remaining proceeds will be conducive to reducing the Company's finance costs and overall gearing level, optimizing its capital structure, and is in the interests of the Company and its Shareholders as a whole.

(II) *Plan for Utilisation of the Remaining Proceeds After the Termination of the Foshan Lecong Shopping Mall Project and the Nanning Dingqiu Shopping Mall Project*

In order to improve the efficiency of fund utilisation, enhance the Company's operational performance, and in line with the principle of maximising shareholder interests, the Company, pursuant to the SSE Listing Rules and Shanghai Stock Exchange Self-Discipline Supervision Guidelines for Listed Companies No.1 – Standardized Operation and other laws, regulations and normative documents, and in conjunction with its own development plans and actual business needs, proposes to terminate the “Foshan Lecong Shopping Mall Project” and the “Nanning Dingqiu Shopping Mall Project”. The remaining proceeds of RMB999.6514 million (the actual amount shall be subject to the balance of the dedicated proceeds account on the date of transfer) will be used to permanently replenish working capital by applying such proceeds in full and directly towards the repayment of the Shareholder loan from Xiamen C&D, which will alleviate the financial pressure on the Company's core business operations and development, effectively optimise the Company's debt structure, improve its cash flow, reduce its financial risks, promote the long-term and stable development of its business, and protect the interests of the Company and its minority shareholders. After the balance in the dedicated proceeds account is transferred out, the Company will close the dedicated proceeds account accordingly, and the monitoring agreement for the dedicated proceeds account signed with the sponsor and the account-opening bank will also be terminated.

As of the Latest Practicable Date, the Company had an outstanding Shareholder loan from Xiamen C&D in the amount of approximately RMB1,401.70 million, which carries an annual interest rate of 3.53% and is scheduled to be repaid in October 2026. The Company intends to apply the remaining proceeds of RMB999.6514 million in full and directly towards the repayment of the Shareholder loan from Xiamen C&D. Repaying the aforesaid shareholder loan with the remaining proceeds will be conducive to reducing the Company's finance costs and overall gearing level, optimizing its capital structure, and is in the interests of the Company and its shareholders as a whole.

IV. Impact of Changes of Use of Proceeds and Termination of Projects on the Company

(I) *Impact of Permanent Replenishment of Working Capital with the Remaining Proceeds from the “Changsha Jinxia Shopping Mall Project” and the “New Intelligent Home Furnishing Shopping Mall Project”*

The Company's use of the remaining proceeds to permanently replenish working capital by applying such proceeds in full and directly towards the repayment

LETTER FROM THE BOARD

of the Shareholder loan from Xiamen C&D is conducive to improving the efficiency of proceeds utilisation, further enhancing the Company's operational capabilities, and safeguarding the interests of the Company and its shareholders. It does not harm the interests of the Company and its shareholders, will not have a material adverse effect on the Company's normal operations, is in line with the Company's long-term development plan, and complies with the relevant regulations of the CSRC and the Shanghai Stock Exchange regarding the use of proceeds by listed companies.

(II) Impact of Termination of the Foshan Lecong Shopping Mall Project and the Nanning Dingqiu Shopping Mall Project on the Company

The termination of the implementation of the aforesaid fund-raising investment projects is a prudent decision made by the Company based on a comprehensive consideration of the current macroeconomic environment, its own operations, and financial status, and will not have a material adverse effect on the Company's normal operations. After the termination of the fund-raising investment projects, the remaining proceeds will be applied in full and directly towards the repayment of the Shareholder loan from Xiamen C&D, which can effectively improve the Company's cash flow, reduce financial risks, increase the Company's profit level, provide stable financial support for the development of the Company's main business, and further enhance the Company's risk resilience. In the future, the Company will arrange the use of funds reasonably in accordance with its development plan and actual operational needs, based on the principle of maximising shareholder interests, to reward all investors with better performance.

III. THE ESTIMATED GUARANTEE AMOUNT FOR THE YEAR 2026

Reference is made to the announcement of the Company dated 30 July 2026 in relation to the estimated guarantee amount of the Company for the year 2026.

According to the SSE Listing Rules, the Articles of Association and other applicable rules and regulations, a listed company is required to estimate the total new guarantee amount for the next 12 months for two categories of subsidiaries, namely those with a gearing ratio of 70% or more and those with a gearing ratio of less than 70%, respectively, and submit the same to the EGM for consideration.

Proposed Grant of Guarantee Mandate

On 30 July 2026, the Board considered and approved that, for the period from the date of the forthcoming EGM to the conclusion of the general meeting considering the Company's estimated guarantee amount for the year 2027 (for a maximum period of not more than 12 months), in order to meet the daily operational needs of the Company and its subsidiaries for the year 2026 and to ensure the smooth implementation of financing plans, the Board will propose to the Shareholders at the EGM to grant the New Mandate, under which the estimated total new guarantees of the Company and its subsidiaries to be provided to the guaranteed parties (including guarantees provided for the subsidiaries and mutual guarantees between the subsidiaries) will not exceed RMB7,500 million.

LETTER FROM THE BOARD

The guarantee amount is an estimate based on the Company's current business operations. As at the Latest Practicable Date, the relevant guarantee agreements have not yet been entered into. The specific guarantee amount, form of guarantee, term of guarantee and time of execution will be subject to the contracts actually entered into.

The aforesaid allocation of the guarantee amount is based on the Company's preliminary estimate of the current business operations of the subsidiaries within the scope of its consolidated financial statements. Within the scope of the total new guarantee amount to be granted at the EGM, the guarantee amount can be reallocated among various subsidiaries according to actual business needs. However, in the event of reallocation, a subsidiary with a gearing ratio of 70% or more may only obtain a guarantee amount from another subsidiary which also has a gearing ratio of 70% or more at the time of consideration by the EGM; the guarantee amount for guaranteed parties with a gearing ratio of less than 70% may only be reallocated from other guaranteed parties which also have a gearing ratio of less than 70% at the time of consideration by the EGM.

As of the Latest Practicable Date, the accumulated total guarantee amount of the Company and its subsidiaries (including the current estimated guarantee amount) was RMB22,245.46 million (of which the guarantees provided by the Company to its subsidiaries and between the subsidiaries amounted to RMB22,245.46 million), and the total amount of guarantees provided by the Company to its subsidiaries was RMB20,549.87 million, representing 98.76% and 91.23% respectively of the Company's audited net assets attributable to the parent company as of 31 December 2025. The Company has not provided any guarantees for its substantial shareholders, de facto controllers and their connected persons; the Company and its subsidiaries have no overdue guarantees.

LETTER FROM THE BOARD

The estimated guarantee amount to be provided by the Company for subsidiaries with a gearing ratio of less than 70% is as follows:

Unit: '0,000 Currency: RMB

No.	Guaranteed party/subsidiary	Guarantee balance as of the Latest Practicable Date	New guarantee amount for 2026
1	Harbin Red Star Macalline International Home Furnishing Company Limited (哈爾濱紅星美凱龍國際 家居有限公司)	0	60,000
2	Tianjin Red Star Macalline International Home Furnishings Construction Materials Company Limited (天津紅星美凱龍國際傢俱建材廣場有限公司)	0	40,000
3	Tianjin Red Star Macalline International Home Furnishings Malls Company Limited (天津紅星美凱龍 國際家居廣場有限公司)	0	40,000
4	Nanjing Red Star Macalline Commercial Operation Management Co., Ltd. (南京紅星美凱龍商業運營管理 有限公司)	43,500	30,000
5	Beijing Red Star Macalline International Furniture and Building Materials Plaza Co., Ltd. (北京紅星美凱龍國 際傢俱建材廣場有限公司)	149,167	100,000
6	Urumchi Red Star Macalline Shibo Furniture Plaza Company Limited (烏魯木齊紅星美凱龍家居世博廣場 有限公司)	0	30,000
7	Other subsidiaries (including newly established companies) ^(Note 1)	300,480	80,000

Note 1: The guaranteed parties are the Company and the subsidiaries within the scope of the Company's consolidated financial statements. The Company can effectively control their daily operational risks and decision-making and can promptly monitor their credit status. The Company has not provided any guarantees for its substantial shareholders, de facto controllers and their connected persons; the Company and its subsidiaries have no overdue guarantees.

LETTER FROM THE BOARD

The estimated guarantee amount to be provided by the Company for subsidiaries with a gearing ratio of 70% or more is as follows:

Unit: '0,000 Currency: RMB

No.	Guaranteed party/subsidiary	Guarantee balance as of the Latest Practicable Date	New guarantee amount for 2026
1	Shenyang Red Star Macalline Shibo Home Furnishing Company Limited (瀋陽紅星美凱龍世博家居有限公司)	0	30,000
2	Shanghai Xinwei Property Company Limited (上海新偉置業有限公司)	0	250,000
3	Shanghai Hongxin Ou Kai Home Furnishing Co., Ltd (上海虹欣歐凱家居有限公司)	16,680	40,000
4	Other subsidiaries (including newly established companies) ^(Note 2)	964,720	50,000

Note 2: The guaranteed parties are the Company and the subsidiaries within the scope of the Company's consolidated financial statements. The Company can effectively control their daily operational risks and decision-making and can promptly monitor their credit status. The Company has not provided any guarantees for its substantial shareholders, de facto controllers and their connected persons; the Company and its subsidiaries have no overdue guarantees.

LETTER FROM THE BOARD

Financial Position of the Guaranteed Parties

Unit: '0,000 Currency: RMB

Name of guaranteed party	Key financial indicators									
	As at 31 March 2026/January to March 2026 (unaudited)					As at 31 December 2025/for the year 2025 (audited)				
	Total assets	Total liabilities	Net assets	Revenue	Net Profit	Total assets	Total liabilities	Net assets	Revenue	Net Profit
Harbin Red Star Macalline International Home Furnishing Company Limited (哈爾濱紅星美凱龍國際家居有限公司)	51,532.08	10,136.62	41,395.46	1,886.02	105.70	53,349.63	12,059.87	41,289.76	8,103.49	19.05
Shenyang Red Star Macalline Shibo Home Furnishing Company Limited (瀋陽紅星美凱龍世博家居有限公司)	64,886.53	54,572.60	10,313.93	2,005.42	86.75	65,075.29	54,848.10	10,227.18	7,875.35	-1,658.01
Urumchi Red Star Macalline Shibo Furniture Plaza Company Limited (烏魯木齊紅星美凱龍家居世博廣場有限公司)	84,981.31	57,755.02	27,226.28	1,559.28	-1,294.43	86,650.26	58,129.55	28,520.71	6,297.62	-2,899.16
Shanghai Hongxin Ou Kai Home Furnishing Co., Ltd (上海虹欣歐凱家居有限公司)	86,474.24	77,022.99	9,451.25	2,920.59	69.60	87,213.15	77,831.50	9,381.65	11,628.71	-802.57
Shanghai Xinwei Property Company Limited (上海新偉置業有限公司)	411,772.37	370,274.92	41,497.45	5,052.05	2,108.11	413,753.87	374,364.53	39,389.34	16,514.87	2,621.71
Nanjing Red Star Macalline Commercial Operation Management Co., Ltd. (南京紅星美凱龍商業運營管理有限公司)	115,457.84	45,099.22	70,358.62	-	-735.26	119,210.46	48,116.58	71,093.88	-	-1,695.79
Beijing Red Star Macalline International Furniture and Building Materials Plaza Co., Ltd. (北京紅星美凱龍國際傢俱建材廣場有限公司)	260,362.97	174,464.07	85,898.90	1,638.04	1,085.66	260,636.96	175,823.72	84,813.24	6,922.73	14,042.17
Tianjin Red Star Macalline International Home Furnishings Malls Company Limited (天津紅星美凱龍國際家居廣場有限公司)	11,383.90	4,448.00	6,935.90	1,068.71	390.28	11,402.71	4,857.09	6,545.62	3,841.27	531.97
Tianjin Red Star Macalline International Home Furnishings Construction Materials Company Limited (天津紅星美凱龍國際傢俱建材廣場有限公司)	8,822.88	3,386.98	5,435.90	835.74	176.83	8,719.23	3,460.16	5,259.07	2,921.32	-246.33

The New Mandate, and the authorisation by the Board (within the scope of the resolution) for the Company's management to handle specific matters concerning the guarantees within the estimated total new guarantee amount based on market conditions (including but not limited to signing relevant legal documents such as contracts and agreements, and adjusting guarantee conditions such as term and amount), are subject to approval by the Shareholders at the EGM.

The transaction under the New Mandate is disclosed and submitted to the EGM for consideration solely in accordance with the relevant A share rules and does not constitute an advance to an entity, a notifiable transaction or a connected transaction which is subject to announcement or Shareholders' approval requirement under Chapter 13, Chapter 14 and Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

IV. THE 2026 SECOND EXTRAORDINARY GENERAL MEETING

An EGM of the Company will be held at 2:30 p.m. on Friday, 18 September 2026 at Conference Center, 3/F, South Building, Block B, Macalline Global Center, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC. A notice of the EGM is set out on pages 16 to 17 of this circular.

The proxy form for the EGM is also enclosed herein and published on the websites of the Stock Exchange (www.hkexnews.com.hk) and the Company (www.chinaredstar.com). The Shareholders who intend to appoint (a) proxy/proxies to attend the EGM shall complete, sign and return the proxy form in accordance with the instructions printed thereon.

For H Share Shareholders, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 24 hours before the time for holding the EGM in order for such documents to be valid. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Pursuant to the Articles of Association, for the purpose of holding the EGM, the register of members of H Shares will be closed from Tuesday, 15 September 2026 to Friday, 18 September 2026 (both days 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, 15 September 2026 are entitled to attend and vote at the EGM. For information about A Share Shareholders' attendance at the EGM, 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 EGM, H Share Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare Hong Kong Investor Services Limited, the Company's H share registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Monday, 14 September 2026.

None of the Shareholders has a material interest in the resolutions to be proposed at the EGM, and is required to abstain from voting at the EGM 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 EGM will be voted by poll.

In addition, the Company will offer a platform to A Share 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.

LETTER FROM THE BOARD

V. RECOMMENDATION

The Board considers that all resolutions as set out in the notice of the EGM for the Shareholders to consider and approve are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all resolutions to be proposed at the EGM.

VI. 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

NOTICE OF THE 2026 SECOND EXTRAORDINARY GENERAL MEETING



Red Star Macalline Group Corporation Ltd. 紅星美凱龍家居集團股份有限公司

(A sino-foreign joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1528)

NOTICE OF THE 2026 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 second extraordinary general meeting (the “EGM”) of Red Star Macalline Group Corporation Ltd. (the “Company”) will be held at 2:30 p.m. on Friday, 18 September 2026 at Conference Center, 3/F, South Building, Block B, Macalline Global Center, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC for the purpose of considering, and if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the resolution on the termination of certain A-Share proceeds investment projects of the Company and permanent supplement of working capital with the remaining proceeds.
2. To consider and approve the resolution on the estimated guarantee amount for the year 2026.

By Order of the Board

Red Star Macalline Group Corporation Ltd.

CAO Shu

Secretary of the Board and Joint Company Secretary

Shanghai, the PRC

2 September 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 2 September 2026 (the “Circular”). Details of the resolutions are set forth in the Circular.
2. For the purpose of holding the EGM, the register of members of H shares of the Company will be closed from Tuesday, 15 September 2026 to Friday, 18 September 2026 (both days inclusive), during which period no transfer of H shares will be registered. In order for H Share Shareholders to be qualified to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Monday, 14 September 2026 for registration.

Shareholders whose names appear on the register of members of H shares of the Company on Tuesday, 15 September 2026 are entitled to attend and vote at the EGM.
3. The shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a shareholder of the Company.

NOTICE OF THE 2026 SECOND EXTRAORDINARY GENERAL MEETING

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, Wan Chai, Hong Kong, not less than 24 hours before the time for holding the EGM. If the proxy form is signed by a person under the power of attorney or other authority, a notarized copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude shareholders of the Company from attending and voting in person at the EGM or any adjourned meetings should they so wish.
6. Shareholders shall produce their identification documents and supporting documents in respect of the shares of the Company held when attending the EGM. If corporate Shareholders appoint their authorized representatives to attend the EGM, the authorized representatives shall produce their identity documents and notarized copies of the relevant authorization documents signed by the board of directors or other authorized parties of the corporate shareholders or other notarized documents permitted by the Company. Proxies shall produce their identification documents and the proxy form signed by the Shareholders or their attorney when attending the EGM.
7. The EGM is expected to take for less than half a day. Shareholders attending the EGM shall be responsible for their own travel and accommodation expenses.
8. All voting at the EGM will be conducted by poll.