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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)**

**VOLUNTARY ANNOUNCEMENT –  
FULLY EXEMPTED CONTINUING CONNECTED TRANSACTION IN  
RELATION TO THE LOAN FRAMEWORK AGREEMENT**

The Board is pleased to announce that on 26 May 2026, the Company entered into the Loan Framework Agreement with Xiamen C&D. Pursuant to the Loan Framework Agreement, Xiamen C&D shall, either directly or through its subsidiaries (excluding the Group), or by entrusting banks, provide the Revolving Facility of up to RMB4.0 billion to the Company for the period from the date on which the Loan Framework Agreement is approved by the Independent Shareholders at the General Meeting until 28 May 2028. In addition, the Company may apply to Xiamen C&D, and Xiamen C&D shall provide to the Group, the Short-Term Loan Facility in an aggregate principal amount of up to RMB2.5 billion, which shall be repaid on or before 31 December of the same year in which such Short-Term Loan Facility is drawn down. The Short-Term Loan Facility shall be valid from the date of approval by the Independent Shareholders at the General Meeting until 31 December 2027.

**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.

<b>Available Period:</b>	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 General Meeting 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 under the Revolving Facility exceeds the Available Period (“ <b>Excess Portion</b> ”) 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.
<b>Short-Term Loan Facility:</b>	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 General Meeting until 31 December 2027.
<b>Use of the Loan:</b>	The Company’s operational activities in the ordinary course of business, repayment of interest-bearing debt, and other matters related to lawful business activities.
<b>Interest of the Loan:</b>	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.
<b>Credit Enhancement Measures:</b>	None.

**Condition 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), and the official seal(s) of both parties shall be affixed;
- (2) The Loan Framework Agreement, the Transactions and the Annual Caps thereunder being approved by the Independent Shareholders' at the General Meeting.

**HISTORICAL 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 and the Short-Term Loan 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; and (4) the operating cash flow to be generated based on the overall business scale of the Company for the next two years.

## **INTERNAL CONTROL MEASURES**

The Group has adopted certain internal control measures in relation to the utilisation of the Revolving Facility and the Short-Term Loan Facility by Xiamen C&D.

The Directors consider that such 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.

## **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 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.

## **INFORMATION ON PARTIES INVOLVED IN THE TRANSACTION AND ITS 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 store operations, and other businesses. According to the 2025 annual report of Xiamen C&D, Xiamen C&D Group Co., Ltd. \* (廈門建發集團有限公司) is a controlling shareholder of Xiamen C&D and held approximately 46.79% total issued shares of Xiamen C&D. Xiamen C&D Group Co., Ltd. is wholly-owned by the State-owned Assets Supervision and Administration Commission of the Xiamen Municipal People's Government\* (廈門市人民政府國有資產監督管理委員會).

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Xiamen C&D directly and indirectly 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 of Red Star Macalline Group Corporation Ltd., the Loan Framework Agreement and the transactions contemplated thereunder have to be submitted to the General Meeting for consideration and approval. An ordinary resolution will be proposed at the General Meeting to seek for approval of the Loan Framework Agreement and the transactions contemplated thereunder.

## **PUBLICATION OF CIRCULAR**

A circular containing, among other things, details of the Loan Framework Agreement, the Transactions and Annual Caps; and a notice of the General Meeting, is expected to be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinaredstar.com](http://www.chinaredstar.com)) on or before 29 May 2026.

## DEFINITION

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“2025 Loan Framework Agreement”	the agreement entered into between the Company and Xiamen C&D in respect of the provision of a revolving loan facility of up to RMB9.5 billion by Xiamen C&D to the Company as detailed in the circular of the Company dated 13 May 2025
“A Share(s)”	the domestic share(s) issued by the Company to domestic investors with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“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 announcement
“Available Period”	from the date on which the Loan Framework Agreement was considered and approved by the General Meeting till 28 May 2028
“Board”	the board of directors the Company
“Company”	Red Star Macalline Group Corporation Ltd. (紅星美凱龍家居集團股份有限公司), a sino-foreign joint stock company incorporated in the PRC with limited liability, whose H shares are listed on the main board of the Stock Exchange and A shares are listed on the Shanghai Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Effective Date”	the date on which all the condition precedents under the Loan Framework Agreement are satisfied
“General Meeting”	the general meeting of the Company to be convened to approve, among other things, the Loan Framework Agreement, the Transactions and the Annual Caps
“Group”	the Company and its subsidiaries
“Independent Shareholder(s)”	shareholders who are not required to abstain from voting at the General Meeting to be held to consider, and if thought fit, approve the Loan Framework Agreement, the Transactions and the Annual Caps

“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
“PRC” or “China”	the People’s Republic of China, but for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region 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”	Shanghai Stock Exchange (上海證券交易所)
“Shareholder(s)”	A share shareholder(s) and H share shareholder(s) of the Company
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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
“Transaction(s)”	the transactions 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

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

Shanghai, the PRC  
26 May 2026

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

\* *For identification purposes only*