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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 H Shares in **Red Star Macalline Group Corporation Ltd.**, you should at once hand this circular together with the proxy form and reply slip 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)**

**PROPOSED ISSUE OF THE CORPORATE BONDS IN THE PRC,  
PROPOSED GRANT OF GENERAL MANDATE TO ISSUE THE BONDS  
AND  
NOTICE OF EGM**

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A letter from the Board is set out on pages 3 to 8 of this circular. A notice convening the EGM to be held at JW Marriott Hotel Shanghai Changfeng Park, 158 Da Du He Road, Putuo District, Shanghai, PRC at 10:00 a.m. on Monday, 21 September 2015, is being dispatched to the Shareholders together with this circular.

If you intend to attend the EGM, please complete and return the appropriate reply slip in accordance with the instructions printed thereon as soon as possible and in any event by no later than Tuesday, 1 September 2015.

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the appropriate proxy form in accordance with the instructions printed thereon. The proxy form must be signed by you or your attorney duly authorised 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 authorised to sign the same. If the proxy form is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarially certified.

In the case of joint holders of shares of the Company, 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 holders of H Shares, 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, Hong Kong as soon as possible, and in any event not later than 24 hours before the time appointed for holding the EGM. For holders of Domestic Shares, please return the proxy form together with any documents of authority to the Board office of the Company in the PRC at Suite F801, 6/F, No. 518, Linyu Road, Pudong New District, Shanghai, PRC 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 at the EGM, or any adjournment thereof should you so wish.

6 August 2015

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## DEFINITIONS

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

“Articles of Association”	means	the articles of association of the Company
“Board”	means	the board of directors of the Company
“Bonds”	means	the bonds (including but not limited to short-term financing bills, medium term notes, USD bonds and other debt securities recognised by domestic and overseas regulatory authorities) with an aggregate principal amount not exceeding RMB4,000,000,000 or equivalent in foreign currencies (excluding the size of the proposed issue of Corporate Bonds approved by the Board), to be issued domestically and abroad
“Company”	means	Red Star Macalline Group Corporation Ltd. (紅星美凱龍家居集團股份有限公司), a joint stock limited 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
“Corporate Bonds”	means	corporate bonds with an aggregate principal amount not exceeding RMB10,000,000,000 proposed to be issued by the Company in the PRC
“Director(s)”	means	the director(s) of the Company
“Domestic Share(s)”	means	ordinary share(s) issued by the Company, with a RMB-denominated nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“EGM”	means	the extraordinary general meeting of the Company to be convened at JW Marriott Hotel Shanghai Changfeng Park, 158 Da Du He Road, Putuo District, Shanghai, PRC at 10:00 a.m. on Monday, 21 September 2015
“H Share(s)”	means	overseas-listed foreign invested ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which is/are listed and traded on the Hong Kong Stock Exchange
“Hong Kong”	means	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	means	The Stock Exchange of Hong Kong Limited
“Listing Rules”	means	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

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## DEFINITIONS

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“PRC”	means	the People’s Republic of China which, for the purpose of this circular (unless otherwise indicated), excludes Hong Kong, the Macau Special Administrative Region and Taiwan Region
“RMB”	means	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	means	the shareholder(s) of the Company
“USD”	means	United States dollars, the lawful currency of the United States



**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 Director:*

Mr. Che Jianxing  
Ms. Zhang Qi  
Ms. Che Jianfang  
Mr. Jiang Xiaozhong

*Registered office in the PRC:*

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

*Non-executive Directors:*

Mr. Xu Guofeng  
Ms. Chen Shuhong  
Mr. Joseph Raymond Gagnon  
Mr. Zhang Qiqi

*Principal place of business in*

*Hong Kong:*  
36/F, Tower 2  
Times Square  
1 Matheson Street  
Causeway Bay, Hong Kong

*Independent non-executive Directors:*

Mr. Zhou Qinye  
Mr. Li Zhenning  
Mr. Ding Yuan  
Mr. Lee Kwan Hung

6 August 2015

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED ISSUE OF THE CORPORATE BONDS IN THE PRC,  
PROPOSED GRANT OF GENERAL MANDATE TO ISSUE THE BONDS  
AND  
NOTICE OF EGM**

**I. INTRODUCTION**

Reference is made to the announcement of the Company dated 31 July 2015 in which the Board has announced (a) the proposed issue of Corporate Bonds in the PRC by the Company; and (b) the proposed grant of general mandate to issue the Bonds. On 31 July 2015, the Board resolved to propose (a) the issue of the Corporate Bonds in the PRC with an aggregate principal amount not exceeding RMB10,000,000,000; and (b) obtaining a general mandate from the Shareholders to deal with the relevant matters relating to the issue of the Bonds of the Company with an aggregate principal amount not exceeding RMB4,000,000,000 or equivalent in foreign currencies.

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## LETTER FROM THE BOARD

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According to the laws of the PRC and the Articles of Association, the proposed issue of the Corporate Bonds and the issue of the Bonds are subject to the approval of the Shareholders by way of special resolutions and the approval(s) from the relevant PRC and/or overseas regulatory authorities. Issue of the Corporate Bonds and the Bonds will depend on the timing of the relevant regulatory approval(s), the capital needs of the Company and the conditions of the debt markets.

The purpose of this circular is to provide you with the information regarding, among other things, (i) detailed information regarding the proposed issue of the Corporate Bonds and the proposed grant of general mandate to issue the Bonds; and (ii) a notice convening the EGM to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

## II. PROPOSED ISSUE OF THE CORPORATE BONDS

On 31 July 2015, the Board resolved to (i) confirm that the Company has fulfilled the requirements under the relevant laws and regulations in respect of the issue of the Corporate Bonds, and possesses the conditions and qualifications for the issue of the Corporate Bonds to qualified investors; and (ii) approve the proposal in relation to the issue of the Corporate Bonds in the PRC, and agreed to propose the relevant resolutions at the EGM for the approval of the Shareholders.

### Proposal of the Corporate Bonds

Particulars of the issue of the Corporate Bonds, if it proceeds, are as follows:

Issue size:	not exceeding RMB10,000,000,000 (can be issued in single or multiple tranches, and the specific issue size will be, subject to granting of authorisation by the Shareholders, determined by the Board or person(s) authorised by the Board according to the Company's actual capital needs and the market conditions prevailing at the time of issue)
Issue targets:	the Corporate Bonds will be issued to qualified investors in accordance with PRC regulations and will not be placed to the existing Shareholders on a preferential basis
Maturity:	up to 7 years and may have single or multiple periods. The specific maturity shall be, subject to granting of authorisation by the Shareholders, determined by the Board or person(s) authorised by the Board according to the relevant requirements the Company's actual capital needs and market conditions prevailing at the time of issue
Coupon rate:	fixed rate coupon. The coupon rate and coupon payout schedule will be, subject to granting of authorisation by the Shareholders, determined by the Board or person(s) authorised by the Board and underwriter(s) according to the market conditions prevailing at the time of issue
Listing arrangement:	subject to the satisfaction of the relevant listing requirements, the Company will apply for listing of the Corporate Bonds on a domestic stock exchange as approved by the relevant PRC regulatory authorities

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## LETTER FROM THE BOARD

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Use of proceeds:	for repaying the loans of the Company and its subsidiaries, replenishing the working capital of the Company, financing construction of projects and improving the Company's financial conditions. Subject to granting of authorisation by the Shareholders, the specific use of proceeds shall be determined by the Board or person(s) authorised by the Board in accordance with the financial conditions and capital needs of the Company within the scope aforementioned
Guarantee:	subject to granting of authorisation by the Shareholders, the guarantee arrangement will be determined by the Board or person(s) authorised by the Board taking into account relevant requirements and the market conditions prevailing at the time of issue
Protection measures for repayment:	<p>in the event that the Company expects that it is unable to repay the principal and interests of the Corporate Bonds as scheduled, or the Company is unable to repay the principal and interests of the Corporate Bonds when they become due, it shall implement, as a minimum, the following measures:</p> <ul style="list-style-type: none"><li>(i) no dividend will be distributed to the Shareholders;</li><li>(ii) suspend the implementation of projects that incur capital expenditure such as material external investments, acquisitions and mergers;</li><li>(iii) payment of salary and bonus of the Directors and senior management of the Company will be adjusted, reduced or ceased; and</li><li>(iv) key personnel accountable for such event will not be allowed for re-designation.</li></ul>
Term of validity of the resolution:	the resolution regarding the proposed issue of the Corporate Bonds shall be valid for 12 months from the date of approval at the EGM

### **Authorisation in relation to the Proposed Issue of the Corporate Bonds**

Subject to the Shareholders' approval, the Board or the person(s) authorised by the Board, will be authorised to do the following:

- (1) subject to the laws, regulations and applicable requirements of securities regulatory authorities and the resolution of the EGM, with reference to the specific conditions of the market and the Company, to determine the specific plan of the issue of the Corporate Bonds, including but not limited to all matters relating to terms and conditions of the issue such as the issue size, maturity, bond type, coupon rate or its method of determination, timing of issue, issue method (including whether to issue in tranches, size for each tranche), whether to include repurchase and redemption clauses, guarantee arrangement, credit rating arrangement, subscription method, principal repayment and interest payment terms and manners, use of proceeds, repayment protection measures, trading arrangement, underwriting arrangements etc.;
- (2) to decide and appoint intermediaries and entrusted manager for the issue of the Corporate Bonds;

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## LETTER FROM THE BOARD

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- (3) to implement and execute matters related to the issue, listing and trading of the Corporate Bonds, including but not limited to formulating, authorising, executing, implementing, amending and completing the legal documents regarding the issue, listing and trading of the Corporate Bonds, including but not limited to the prospectus of the Corporate Bonds, underwriting agreement, bond trust management agreement, rules of bondholders' meeting, various announcements etc., and to make relevant disclosure pursuant to laws and regulations as well as other regulatory documents;
- (4) where there is change to the laws and regulations, relevant policies of regulatory authorities or market conditions, to make suitable adjustments on the matters of the issue of the Corporate Bonds in accordance with relevant laws and regulations, the Articles of Association and any opinion of the regulatory authorities, or to decide whether to proceed with the issue of the Corporate Bonds according to the actual situations, save for the matters which are subject to new resolutions of the Shareholders' meeting in accordance with the relevant laws, regulations and the Articles of Association; and
- (5) to handle other matters regarding the issue, listing and trading of the Corporate Bonds with full authority.

The term of the authorisation shall commence from the date of passing of the resolution regarding the issue of the Corporate Bonds at the EGM until the completion of all authorised matters mentioned above.

### III. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE THE BONDS

On 31 July 2015, the Board resolved to propose a special resolution to the Shareholders at the EGM for the grant of a general mandate to the Board and the person(s) authorised by the Board to decide on financing matters where appropriate, so that the Company may issue the Bonds domestically or abroad in an aggregate principal amount not exceeding RMB4,000,000,000 or equivalent in foreign currencies (excluding the issue size of the proposed issue of Corporate Bonds approved by the Board). The entity issuing the Bonds may be the Company and its subsidiaries included in the combined statements of the Company. The Bonds may be issued in single or multiple tranches, with a term up to 10 years. The proceeds will be used to, among others, meet the Company's business needs, adjust the debt structure, replenish the working capital and (or) invest in relevant projects. Specific terms of each issue of the Bonds, including the size, the maturity, interest rate and the issue method, shall comply with the stipulations of relevant rules.

The Company will also propose to the Shareholders at the EGM to grant the authority to the Board and the Board and the person(s) authorised by the Board to deal with matters relating to the above, including:

- (1) decide on the specific bond type to be issued by the Company within the permissible size of the issue, including but not limited to medium term notes, short-term financing bills, USD bonds and other debt securities recognised by domestic and overseas regulatory authorities;
- (2) decide on the use of proceeds within the aforesaid scope, based on the Company's specific needs;
- (3) decide on the specific terms and conditions and related matters of each issue of the Bonds based on the Company's daily operation and capital expenditure needs and market conditions, including but not limited to deciding on the actual principal amount, interest rate, maturity, date of issue, targeted investors, issue method, use of proceeds, and arrangement of the issue and placement;

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## LETTER FROM THE BOARD

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- (4) appoint various intermediaries, including but not limited to the lead underwriter(s), the rating agencies and the legal counsels, and to negotiate, execute and amend related contracts or agreements, sign all the necessary legal documents relating to each issue, and handle all necessary procedures relating to each issue of the Bonds such as application, registration or filing with the relevant regulatory authorities on behalf of the Company; and
- (5) handle other matters relating to the issue of the Bonds not covered above.

The Board may, within the scope of authority hereunder, delegate its authority to the Chairman of the Board and his authorised person(s) to decide on specific matters and deal with matters relating to the issue of the Bonds at their sole discretion.

The mandate mentioned in this proposal shall remain valid for 12 months from the date of passing of the resolution relating to the grant of general mandate to issue the Bonds at the EGM.

Where the Board and person(s) authorised by the Board have decided on the related issue and the Company has also obtained approval or license from or have completed the registration with the relevant regulatory authorities on the related issue of the Bonds within the term of validity of the mandate, the Company may complete the related issue of the Bonds within the term of validity of such approval, license or registration.

#### **IV. REASONS FOR THE PROPOSED ISSUE OF THE CORPORATE BONDS AND THE PROPOSED GRANT OF GENERAL MANDATE TO ISSUE THE BONDS**

The proposed issue of the Corporate Bonds and the Bonds are to enable the Company to raise funds. The Company intends to apply the proceeds from the issue of the Corporate Bonds, after deduction of issue expenses, to repay the loans of the Company and its subsidiaries, replenish the working capital of the Company, financing construction of projects and improve the Company's financial conditions. The Company intends to apply the proceeds from the issue of the Bonds to meet the Company's business needs, adjust the debt structure, replenish the working capital and/or invest in relevant projects.

#### **V. EGM**

A notice convening the EGM to be held at JW Marriott Hotel Shanghai Changfeng Park, 158 Da Du He Road, Putuo District, Shanghai, PRC at 10:00 a.m. on Monday, 21 September 2015 is set out at the end of this circular.

A reply slip and a proxy form to be used at the EGM are also enclosed herein and published on the website of the Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Shareholders who intend to appoint a proxy to attend the EGM shall complete, sign and return the appropriate proxy form in accordance with the instructions printed thereon.

For holders of H Shares, 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, Hong Kong, not less than 24 hours before the time for holding the EGM in order for such documents to be valid. For holders of Domestic Shares, 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

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## LETTER FROM THE BOARD

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authority, must be delivered to the Board office of the Company in the PRC at Suite F801, 6/F, No. 518, Linyu Road, Pudong New District, Shanghai, PRC, not less than 24 hours before the time for holding the EGM in order for such documents to be valid.

Holders of H Shares and Domestic Shares, who intend to attend the EGM must complete the reply slip and return it to the Board office of the Company not later than 20 days before the date of the EGM, i.e. no later than Tuesday, 1 September 2015.

Pursuant to the Articles of Association, for the purpose of holding the EGM, the register of members of H Shares will be closed from Saturday, 22 August 2015 to Monday, 21 September 2015 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the register of members of the Company on Saturday, 22 August 2015 are entitled to attend and vote at the EGM.

In order to attend the EGM, holders of H Shares 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 Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 21 August 2015.

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 to approve the proposed issue of the Corporate Bonds and the proposed grant of general mandate to issue the Bonds will be voted by poll.

No Shareholder is interested in the proposed issue of the Corporate Bonds and the Bonds. Accordingly, no Shareholder is required to abstain from voting for the resolutions proposed at the EGM.

### **VI. RECOMMENDATION**

The Directors consider that the aforesaid resolutions regarding the proposed issue of the Corporate Bonds and the proposed grant of general mandate to issue the Bonds are in the interests of the Company and the Shareholders as a whole and accordingly, recommend the Shareholders to vote in favor of the relevant resolutions to be proposed at the EGM.

**The proposed issue of the Corporate Bonds and the Bonds are subject to, among others, the approval of the Shareholders at the EGM, the approval(s) of relevant regulatory authorities and market conditions, and may or may not proceed. Shareholders and investors should therefore exercise caution in dealing in the shares of the Company.**

By order of the Board  
**Red Star Macalline Group Corporation Ltd.**  
**GUO Binghe**  
*Company Secretary*

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## NOTICE OF EGM

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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)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) will be held at JW Marriott Hotel Shanghai Changfeng Park, 158 Da Du He Road, Putuo District, Shanghai, the People's Republic of China (the “**PRC**”), at 10:00 a.m. on Monday, 21 September 2015 for the purpose of considering, and if thought fit, passing the following resolutions:

#### SPECIAL RESOLUTIONS

1. to approve and confirm that the Company has fulfilled the requirements under the relevant laws and regulations in respect of the issue of the Corporate Bonds, and possesses the conditions and qualifications for the issue of the Corporate Bonds to qualified investors.
2. “**THAT**
  - (a) the Company be and is hereby authorised to issue corporate bonds in the PRC (the “**Corporate Bonds**”) the particulars of which are set out below;

Issue size:	not exceeding RMB10,000,000,000, which can be issued in single or multiple tranches
Issue targets:	the Corporate Bonds will be issued to qualified investors in accordance with PRC regulations and will not be placed to the existing Shareholders on a preferential basis
Maturity:	up to 7 years and may have single or multiple periods
Coupon rate:	fixed rate coupon. The coupon rate and coupon payout schedule will be determined by the board of directors (the “ <b>Board</b> ”) or person(s) authorised by the Board and underwriter(s) according to the market conditions prevailing at the time of issue
Listing arrangement:	subject to the satisfaction of the relevant listing requirements, the Company will apply for listing of the Corporate Bonds on a domestic stock exchange as approved by the relevant PRC regulatory authorities
Use of proceeds:	for repaying the loans of the Company and its subsidiaries, replenishing the working capital of the Company, financing construction of projects and improving the Company's financial conditions

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## NOTICE OF EGM

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Guarantee: will be determined by the Board or person(s) authorised by the Board taking into account relevant requirements and the market conditions prevailing at the time of issue

Protection measures for repayment: in the event that the Company expects that it is unable to repay the principal and interests of the Corporate Bonds as scheduled, or the Company is unable to repay the principal and interests of the Corporate Bonds when they become due, it shall implement, as a minimum, the following measures:

- (i) no dividend will be distributed to the shareholders;
- (ii) suspend the implementation of projects that incur capital expenditure such as material external investments, acquisitions and mergers;
- (iii) payment of salary and bonus of the directors and senior management of the Company will be adjusted, reduced or ceased; and
- (iv) key personnel accountable for such event will not be allowed for re-designation.

Term of validity of the resolution: valid for 12 months from the date of approval at the EGM

- (b) the Board or the person(s) authorised by the Board, shall be authorised to do the following:
- (1) subject to the laws, regulations and applicable requirements of securities regulatory authorities and the resolution of the EGM, with reference to the specific conditions of the market and the Company, to determine the specific plan of the issue of the Corporate Bonds, including but not limited to all matters relating to terms and conditions of the issue such as the issue size, maturity, bond type, coupon rate or its method of determination, timing of issue, issue method (including whether to issue in tranches, size for each tranche), whether to include repurchase and redemption clauses, guarantee arrangement, credit rating arrangement, subscription method, principal repayment and interest payment terms and manners, use of proceeds, repayment protection measures, trading arrangement, underwriting arrangements etc.;
  - (2) to decide and appoint intermediaries and entrusted manager for the issue of the Corporate Bonds;
  - (3) to implement and execute matters related to the issue, listing and trading of the Corporate Bonds, including but not limited to formulating, authorising, executing, implementing, amending and completing the legal documents regarding the issue, listing and trading of the Corporate Bonds, including but not limited to the prospectus of the Corporate Bonds, underwriting agreement, bond trust management agreement, rules of bondholders' meeting, various announcements etc., and to make relevant disclosure pursuant to laws and regulations as well as other regulatory documents;

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## NOTICE OF EGM

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- (4) where there is change to the laws and regulations, relevant policies of regulatory authorities or market conditions, to make suitable adjustments on the matters of the issue of the Corporate Bonds in accordance with relevant laws and regulations, the Articles of Association and any opinion of the regulatory authorities, or to decide whether to proceed with the issue of the Corporate Bonds according to the actual situations, save for the matters which are subject to new resolutions of the Shareholders' meeting in accordance with the relevant laws, regulations and the Articles of Association; and
- (5) to handle other matters regarding the issue, listing and trading of the Corporate Bonds with full authority.

The term of the authorisation shall commence from the date of passing of the resolution regarding the issue of the Corporate Bonds at the EGM until the completion of all authorised matters mentioned above.”

### 3. “**THAT**

- (a) the Board and the person(s) authorised by the Board be and is hereby granted a general mandate to decide on the issue of bonds (including but not limited to short-term financing bills, medium term notes, USD bonds and other debt securities recognised by domestic and overseas regulatory authorities) domestically and abroad in an aggregate principal amount up to RMB4,000,000,000 or equivalent in foreign currencies (excluding the permissible size of the proposed issue of Corporate Bonds approved by the Board this time) (“**Bonds**”), upon such terms and conditions to be determined by the Board in compliance with relevant rules;
- (b) the Board and the person(s) authorised by the Board be and is hereby authorised to deal with matters relating to the issue of the Bonds, including:
  - (1) decide on the specific bond type to be issued by the Company within the permissible size of the issue, including but not limited to medium term notes, short-term financing bills, USD bonds and other debt securities recognised by domestic and overseas regulatory authorities;
  - (2) decide on the use of proceeds within the aforesaid scope, based on the Company's specific needs;
  - (3) decide on the specific terms and conditions and related matters of each issue of the Bonds based on the Company's daily operation and capital expenditure needs and market conditions, including but not limited to deciding on the actual principal amount, interest rate, maturity, date of issue, targeted investors, issue method, use of proceeds, and arrangement of the issue and placement;
  - (4) appoint various intermediaries, including but not limited to the lead underwriter(s), the rating agencies and the legal counsels, and to negotiate, execute and amend related contracts or agreements, sign all the necessary legal documents relating to each issue, and handle all necessary procedures relating to each issue of the Bonds such as application, registration or filing with the relevant regulatory authorities on behalf of the Company; and
  - (5) handle other matters relating to the issue of the Bonds not covered above.

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## NOTICE OF EGM

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The Board may, within the scope of authority hereunder, delegate its authority to the Chairman of the Board and his authorised person(s) to decide on specific matters and deal with matters relating to the issue of the Bonds at their sole discretion.

The mandate mentioned in this resolution shall remain valid for 12 months from the date of its approval at the EGM. Where the Board and person(s) authorised by the Board have decided on the related issue and the Company has also obtained approval or license from or have completed the registration with the relevant regulatory authorities on the related issue of the Bonds within the term of validity of this mandate, the Company may complete the related issue within the term of validity of such approval, license or registration.”

By order of the Board  
**Red Star Macalline Group Corporation Ltd.**  
**GUO Binghe**  
*Company Secretary*

Hong Kong  
6 August 2015

*Notes:*

1. For the purpose of holding the EGM, the register of members of H Shares of the Company will be closed from Saturday, 22 August 2015 to Monday, 21 September 2015 (both days inclusive), during which period no transfer of H Shares of the Company can be registered.

In order to be qualified to attend and vote at the EGM, for holders of H shares of the Company, 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 Room 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 21 August 2015.

The Shareholders whose names appear on the register of members of the Company on Saturday, 22 August 2015 are entitled to attend and vote at the EGM.

2. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a member of the Company.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised 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 authorised to sign the same.
4. In order to be valid, the proxy form must be deposited, for holders of H shares 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, or for holders of domestic shares of the Company, to the Board office of the Company in the PRC not less than 24 hours before the time for holding the EGM. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified 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 from attending and voting in person at the EGM or any adjourned meetings should they so wish.

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## NOTICE OF EGM

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5. Shareholders shall produce their identity documents and supporting documents in respect of the shares of the Company held when attending the EGM. If corporate Shareholders appoint authorised representative to attend the EGM, the authorised representative shall produce his/her identity documents and a notarially certified copy of the relevant authorisation instrument signed by the board of directors or other authorised parties of the corporate Shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the EGM.
6. Shareholders who intend to attend the EGM should complete the reply slip and return it to the Board office of the Company in the PRC by hand, by post or by fax on or before Tuesday, 1 September 2015.
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.