
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your Shares in Red Star Macalline Group Corporation Ltd., you should at once hand this circular together with the form of proxy 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.

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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 CHANGE IN SCOPE OF BUSINESS
PROPOSED PROVISION OF GUARANTEE TO AN ASSOCIATE OF THE GROUP
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED GRANT OF GENERAL MANDATE FOR THE ISSUE OF DOMESTIC
DEBT FINANCING INSTRUMENTS AND RELEVANT AUTHORIZATION
PROPOSED ISSUE OF US DOLLAR DENOMINATED BONDS AND
PROVISION OF GUARANTEE BY THE COMPANY
PROPOSED AUTHORIZATION TO THE RELEVANT AUTHORIZED PERSON
TO SIGN AND HANDLE ALL RELATED MATTERS IN CONNECTION WITH
THE US DOLLAR DENOMINATED BONDS
AND
NOTICE OF THE 2018 FIRST EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 1 to 4 of this circular. A notice convening the EGM to be held at 1:00 p.m. on Wednesday, 25 April 2018 at Huaxia Hall, Shanghai Ship Hotel, No. 4988 Hangnan Road, Nanqiao Town, Fengxian District, Shanghai, PRC, is being dispatched to the Shareholders together with this circular.

If you intend to attend the EGM, please complete and return the reply slip in accordance with the instructions printed thereon as soon as possible and in any event by no later than Thursday, 5 April 2018.

Holders of H Shares 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 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, Wanchai, 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.

CONTENTS

	<i>Page</i>
DEFINITIONS	ii
LETTER FROM THE BOARD	1
1. INTRODUCTION	2
2. MATTERS TO BE CONSIDERED AT THE EGM	2
3. EGM	2
4. RECOMMENDATION	3
5. RESPONSIBILITY STATEMENT	4
APPENDIX I – MATTERS TO BE CONSIDERED AT THE EGM	5
NOTICE OF THE EGM	13

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

DEFINITIONS

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

“A Share(s)”	means ordinary share(s) issued by the Company, with a RMB denominated nominal value of RMB1.00 each, which is/are listed and traded on the Shanghai Stock Exchange
“Articles of Association”	means the articles of association of the Company, as amended from time to time
“Board”	means the board of directors of the Company
“Board Meeting”	means the meeting of the Board held on Tuesday, 7 February 2018
“Bond(s)”	means the US denominated bonds with an aggregate principal amount not exceeding US\$700,000,000 to be issued by Hong Kong Red Star Macalline Universal Home Furnishings Limited, a wholly-owned subsidiary of the Company, or its controlled subsidiaries
“Company”	means 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 limited company incorporated in the PRC, the A Shares and H Shares of which are listed and traded on the Shanghai Stock Exchange and the Main Board of the Stock Exchange, respectively
“Director(s)”	means the director(s) of the Company
“EGM” or “Extraordinary General Meeting”	means the 2018 first extraordinary general meeting of the Company to be held at 1:00 p.m. on Wednesday, 25 April 2018 at Huaxia Hall, Shanghai Ship Hotel, No. 4988 Hangnan Road, Nanqiao Town, Fengxian District, Shanghai, PRC
“Group”	means the Company and its subsidiaries
“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 Stock Exchange

DEFINITIONS

“H Shares Registrar”	means Computershare Hong Kong Investor Services Limited
“Haier Consumer Financing”	means Haier Consumer Financing Company Limited* (海爾消費金融有限公司), a limited liability company incorporated under PRC laws on 26 December 2014 and an associate of the Company
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	means the People’s Republic of China
“RMB”	means Renminbi, the lawful currency of the PRC
“Shareholder(s)”	means the holder(s) of the shares of the Company
“Singapore Exchange”	means Singapore Exchange Limited
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meanings ascribed to it under the Listing Rules
“USD”	U.S dollars, the lawful currency of the United States of America

* *For identification only*

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. 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:

Ms. Chen Shuhong
Mr. Xu Guofeng
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. Li Zhenning
Mr. Ding Yuan
Mr. Lee Kwan Hung
Mr. Qian Shizheng

9 March 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSED CHANGE IN SCOPE OF BUSINESS
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AND
NOTICE OF THE 2018 FIRST EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of the EGM and information on certain proposed resolutions to be considered at the EGM so that you are able to make an informed decision on whether to vote for or against those resolutions at the EGM.

2. MATTERS TO BE CONSIDERED AT THE EGM

Ordinary resolutions to be proposed at the EGM for the Shareholders to consider and approve include: (a) proposed change in scope of business; and (b) proposed provision of guarantee to an associate of the Group.

Special resolutions to be proposed at the EGM for the Shareholders to consider and approve include: (c) proposed amendments to the Articles of Association; (d) proposed grant of general mandate for the issue of domestic financial instruments and relevant authorization; (e) proposed issue of the Bonds and provision of guarantee by the Company; and (f) proposed authorization to the relevant authorized person to sign and handle all related matters in connection with the Bonds.

In order to enable you to have a better understanding of the resolutions to be proposed at the EGM and to make well-informed decisions, the Company has provided detailed information of matters to be considered at the EGM on pages 5 to 12 in this circular (Appendix I).

3. EGM

A notice of the EGM to be held at 1:00 p.m. on Wednesday, 25 April 2018 at Huaxia Hall, Shanghai Ship Hotel, No. 4988 Hangnan Road, Nanqiao Town, Fengxian District, Shanghai, PRC, is set out on pages 13 to 15 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 Stock Exchange (www.hkexnews.com.hk). Holders of H Shares who intend to appoint a proxy to attend the EGM shall complete, sign and return the 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, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM in order for such documents to be valid.

LETTER FROM THE BOARD

Holders of H Shares who intend to attend the EGM must complete the reply slip and return it to the office of the H Share Register of the Company not later than 20 days before the date of the EGM, i.e. no later than Thursday, 5 April 2018.

Pursuant to the Articles of Association, for the purpose of holding the EGM, the register of members of H Shares will be closed from Monday, 26 March 2018 to Wednesday, 25 April 2018 (both days inclusive), during which period no transfer of H Shares will be registered. Holders of H Shares whose names appear on the H Share Register of the Company on Friday, 23 March 2018 after close of business are entitled to attend and vote at the EGM. Please refer to the A share announcement as published by the Company on the website of the Shanghai Stock Exchange for relevant information in respect of the holders of A Shares attending 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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 23 March 2018.

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.

4. RECOMMENDATION

The Directors consider that all resolutions set out in the notice of EGM for consideration and approval by Shareholders are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

5. RESPONSIBILITY STATEMENT

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

Pursuant to the Listing Rules, save for the proposed amendments to the Articles of Association, the matters to be considered at the EGM will not trigger the disclosure obligations of the Company.

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

A. TO CONSIDER AND APPROVE THE PROPOSED CHANGE IN SCOPE OF BUSINESS

At the Board Meeting, the Board resolved to approve the proposal in relation to the change in scope of business, and agreed to propose the relevant resolution at the EGM.

The business scope of the Company will be changed to providing the invested enterprises with management service, enterprise management consulting and product information consulting; providing the home furnishing business stores with design planning and management services, wholesale of furniture, building materials (steel exclusive) and decoration materials, and relevant supporting services. (products involving quota license or special management provisions shall be subject to relevant state regulations) (with license if required).

The above business scope shall be subject to the approval of relevant authority.

B. TO CONSIDER AND APPROVE THE PROPOSED PROVISION OF GUARANTEE TO AN ASSOCIATE OF THE GROUP

At the Board Meeting, the Board resolved to approve the proposal in relation to the provision of a guarantee by the Company, and agreed to propose the relevant resolution at the EGM.

Haier Consumer Financing intends to apply for a loan from Haier Group Finance Company Limited* (海爾集團財務責任有限公司) with a principal amount not exceeding RMB2,500,000,000 at a term not exceeding one year at the annual interest rate of 4.785%. The loan shall be used to improve the liquidity of Haier Consumer Financing and the Company intends to provide a joint and several liability guarantee in relation to the loan.

The Company holds 25% equity interest in Haier Consumer Financing, Therefore, Haier Consumer Financing constitutes an associate of the Group under the Listing Rules. The director of Haier Consumer Financing is Mr. Xi Shichang, the chief financial officer of the Company, as such Haier Consumer Financing constitutes a connected person of the Company under PRC laws.

Details of the loan guarantee are set out below:

Guarantor: Red Star Macalline Group Corporation Ltd.

Creditor: Haier Group Finance Company Limited* (海爾集團財務責任有限公司)

Term of guarantee: The term of the guarantee shall be two years after the fulfillment of the debt obligations under the principal agreement

Form of guarantee: Joint and several liability guarantee

Scope of guarantee: Principal and interests (including compound interest and interest penalty), liquidated damages, damages and expenses incurred in relation to claims for the above (including but not limited to litigation fees, arbitration fees, insurance fees, legal counsel fees, travel expenses, execution fees, valuation expenses and auction fees)

C. TO CONSIDER AND APPROVE THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

At the Board Meeting, the Board approved and proposed to make certain amendments to the Articles of Association, which are consistent with and necessary for the business development of the Company and are in the best interests of the Company and the Shareholders as a whole. A special resolution will be proposed at the EGM to consider and approve the proposed amendments to the Articles of Association. Details regarding the proposed amendments to the Articles of Association are set out as follows:

Serial Number	Original article	Amended article
1.	<p>Article 11 The business scope of the Company shall be as approved by the company examination and approval authority and industrial and commercial administration authority.</p> <p>The business scope of the Company is: Providing the invested enterprises with management service, enterprise management consulting and product information consulting; providing the business stores with design planning and management services, wholesale of furniture, building materials (steel exclusive) and decoration materials, and relevant supporting services.</p> <p>(products involving quota license or special management provisions shall be subject to relevant state regulations) (with license if required).</p>	<p>Article 11 The business scope of the Company shall be as approved by the company examination and approval authority and industrial and commercial administration authority.</p> <p>The business scope of the Company is: Providing the invested enterprises with management service, enterprise management consulting and product information consulting; providing the home furnishing business stores with design planning and management services, wholesale of furniture, building materials (steel exclusive) and decoration materials, and relevant supporting services.</p> <p>(products involving quota license or special management provisions shall be subject to relevant state regulations) (with license if required).</p>

Serial Number	Original article	Amended article
2.	Article 216 The Articles of Association shall be subject to the interpretation of the Board of the Company, and shall come into effect as from the date on which the on-shore listed domestic shares of the Company are listed upon approval by the relevant authorities of the state.	Article 216 The Articles of Association shall be subject to the interpretation of the Board of the Company, and shall come into effect upon consideration and approval by the general meeting of the Company.

D. TO CONSIDER AND APPROVE THE PROPOSED GRANT OF GENERAL MANDATE FOR THE ISSUE OF DOMESTIC DEBT FINANCING INSTRUMENTS AND RELEVANT AUTHORIZATION

At the Board Meeting, the Board resolved to approve the proposal in relation to the issue of domestic debt financing instruments not exceeding RMB15.0 billion at an appropriate timing, and agreed to propose the relevant special resolution at the EGM.

Proposal of the issue of domestic debt financing instruments

Details of the domestic debt financing instruments are as follows:

Issue size:	an aggregate amount of not exceeding RMB15,000,000,000
Type:	include, but not limited to, medium term note, corporate bond, and other debt financing instruments as approved by PRC regulatory authorities
Issuer:	the Company or any subsidiary of the Company whose financial statements are consolidated into the Company
Number of tranches:	can be one tranche or several tranches of issue
Maturity:	not more than 10 years
Use of proceeds:	the proceeds shall be applied, among others, to meet the operation needs of the Company, adjust the debt structure, supplement the working capital and/or investment in projects

The relevant terms of issuance of each debt financing instrument such as issue size, term, coupon rate, method of issue shall comply with the requirements of relevant regulations.

Authorization in relation to the proposed issue of domestic debt financing instruments

It is proposed at the EGM to authorize the Board and authorized personnel of the Board to handle the particulars of the issue with full authority, which includes:

- 1) within the limit of the issue size, the Board and the authorized personnel of the Board shall be authorized to decide the type of the debt financing instruments, including, but not limited to, medium term note, corporate bond, and other debt financing instruments as approved by PRC regulatory authorities;
- 2) the Board and the authorized personnel of the Board shall be authorized to, within the scope stated above, determine the use of proceeds according to the specific need of the Company;
- 3) the Board and the authorized personnel of the Board shall be authorized to, according to the daily operations and capital need of the Company as well as market conditions, determine the detailed terms, conditions and other relevant matters of each issue of the debt financial instruments, including, but not limited to, the issue size, term, coupon rate, time of issue, issue targets, method of issue and placing arrangements;
- 4) the Board and the authorized personnel of the Board shall be authorized to, according to the actual need of the issue of the debt financing instruments, appoint each professional party, including, but not limited to, lead underwriters, rating agency and legal counsels, negotiate, sign and amend relevant contracts or agreements, and sign all the necessary documents in connection with each issue, and act on behalf of the Company to handle all the necessary procedures in connection with the application, registration, filing or listing of the debt financing instruments with relevant authorities;
- 5) if there is a change in market conditions or regulatory policies, unless it is required by relevant laws, regulations or the Articles of Association to have the matter resolved by the Shareholders, the Board and the authorized persons of the Board within the authority granted by the Shareholders at the EGM, shall be authorized to make corresponding adjustments to the relevant matters of the issue according to the opinions of the regulatory authorities or market conditions;
- 6) the Board and the authorized personnel of the Board shall be authorized to handle other matters related to the issue of debt financing instruments;

- 7) within the scope of this authority, the Board shall be authorized to extend the authority to the chairman of the Board and his authorized persons to determine the details of the issue and handle relevant matters in connection with the issue of debt financing instruments with full authority; and
- 8) the term of validity of the authority shall be 24 months from the date of passing of the resolution regarding the general mandate to issue domestic debt financing instruments. If the Board and the authorized personnel of the Board have determined the relevant issue within the term of validity, and the Company has obtained the approval, permission or registration of the issue from regulatory authorities, the Company shall be allowed to complete the relevant issue within the time specified in the approval, permission or registration.

E. TO CONSIDER AND APPROVE THE PROPOSED ISSUE OF US DOLLAR DENOMINATED BONDS AND PROVISION OF GUARANTEE BY THE COMPANY

At the Board Meeting, the Board resolved to approve the proposed issue of the Bonds.

According to the laws of the PRC and the Articles of Association, the proposed issue of the Bonds is 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 Bonds will depend on the timing of the relevant regulatory approval(s), the capital needs of the Company and the prevailing conditions of the debt markets.

Details of the proposed issue of the Bonds

- Issuer: Hong Kong Red Star Macalline Universal Home Furnishings Limited (香港紅星美凱龍全球家居有限公司) or its controlled subsidiaries
- Issue targets: qualified overseas institutional investors
- Issue size: not exceeding US\$700,000,000 or equivalent currencies (issue in single or multiple tranches, specific issue size will be subject to the granting of authorisation by the Shareholders and the determination of the chairman of the Board, the chief financial officer of the Company or such authorised person(s) based on the Company's actual capital needs and the prevailing market conditions at the time of issuance)

Maturity:	not more than 10 years
Type:	senior unsecured US dollar denominated bonds in reliance on Regulation S under the Securities Act
Coupon rate:	subject to the granting of authorisation by the Shareholders and determination of the chairman of the Board and the chief financial officer of the Company or such authorized personnel together with underwriters in accordance with the prevailing market conditions at the time of issuance
Payment of interest:	fixed interest rate payable semi-annually in arrears; one-off repayment of principal upon maturity
Guarantee:	the Company will provide joint and several liability guarantee for the payment obligations under relevant transaction documents of the Bonds
Use of proceeds:	for financing construction of projects, investing in or acquiring of other market participants in the home furnishing related areas, replenishing the working capital of the Company, repaying the loans of the Company and its subsidiaries and other general corporate purposes, subject to the requirements of the relevant laws and regulations of the PRC (for the purpose of this resolution excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan), the listing rules of the exchanges where the Company's shares are listed and the requirements of the Articles of Association
Listing arrangement:	application for listing of, and permission to deal in the Bonds will be made to the Stock Exchange or the Singapore Exchange
Term of validity of the resolution:	the resolution regarding the proposed issue of the Bonds and provision of guarantee by the Company shall be valid for 24 months from the date of approval at the extraordinary general meeting of the Shareholders

Authorization in relation to the proposed issue of the Bonds

For the purpose of ensuring the successful issue of the Bonds and the listing thereof on the Stock Exchange or the Singapore Exchange, it is proposed at the EGM to authorize the chairman of the Board, the chief financial officer of the Company and the authorized personnel to handle the relevant matters in relation to the issue of the Bonds and the listing thereof according to the relevant requirements of the laws, regulations and regulatory documents as well as the market conditions at the time of the issue, including, but not limited to:

- 1) subject to compliance with the resolutions of the Shareholders, the resolutions of the Board, the relevant laws, regulations and regulatory documents of the PRC (for the purpose of this resolution, excluding Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan), the listing rules of the exchanges where the Company's shares are listed and the requirements of the Articles of Association, formulate and implement the detailed proposal of the issue according to the circumstances of the Company and the market, including, but not limited to, the issuer, time of issue, issue size, maturity of the Bonds, coupon rate and basis of determination, use of proceeds, matters related to the listing, and the formulation of measures to secure repayment;
- 2) determine and appoint professional parties on behalf of the Company, and perform any act necessary for the appointment, including, but not limited to, the signing of relevant engagement letters;
- 3) on behalf of the Company, negotiate all matters in connection to the issue, sign (if necessary, seal), deliver the contracts, perform information disclosure and other relevant matters in connection with the issue, and perform all necessary procedures with relevant regulatory authorities in connection with the issue, including application, registration or filing;
- 4) handle relevant matters relating to the issue, including, but not limited to, authorizing, signing, implementing, amending, arranging for the publication or completing the necessary documents, contracts, agreements, various announcements and other legal documents in connection with the issue and the listing, and making relevant information disclosure, handling matters relating to the payment of principal and interest of the Bonds;
- 5) save for matters relating to relevant PRC laws, regulations and regulatory documents, the listing rules of the exchanges where the Company's shares are listed and the requirements of the Articles of Association requiring the Board to resolve the matters again, make corresponding adjustments to the relevant matters of the issue according to the opinions of the regulatory authorities, changes in policies or market conditions, or determine whether to continue with the issue according to the actual circumstances; and

- 6) handle other matters relating to the issue.

The term of validity of the abovementioned authority shall be 24 months from the date of passing this resolution.

F. PROPOSED AUTHORIZATION TO THE RELEVANT AUTHORIZED PERSON TO SIGN AND HANDLE ALL RELATED MATTERS IN CONNECTION WITH THE BONDS

At the Board Meeting, the Board resolved to approve the proposal to authorize the chairman of the Board, chief financial officer of the Company and authorized personnel to sign relevant documents and complete relevant procedures in relation to the Bonds, and agreed to propose the relevant resolution at the EGM.

In order to complete the issue of the Bonds and the listing of the Bonds on the Stock Exchange or the Singapore Exchange by Hong Kong Red Star Macalline Universal Home Furnishings Limited, a wholly-owned subsidiary of the Company, or its controlled subsidiaries, the Company will authorize the chairman of the Board, chief financial officer of the Company and authorized personnel to handle all matters relating to the issue and listing of the Bonds according to applicable laws and regulations and the market conditions at the time of the issue.

NOTICE OF THE EGM



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 2018 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2018 first extraordinary general meeting (the “EGM”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) will be held at 1:00 p.m. on Wednesday, 25 April 2018 at Huaxia Hall, Shanghai Ship Hotel, No. 4988 Hangnan Road, Nanqiao Town, Fengxian District, Shanghai, People’s Republic of China (the “**PRC**”) for the purpose of considering, and if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

To consider and approve:

1. proposed change in scope of business; and
2. proposed provision of guarantee to an associate of the Group.

NOTICE OF THE EGM

SPECIAL RESOLUTIONS

3. proposed amendments to the articles of association of the Company;
4. proposed grant of general mandate to issue domestic financial instruments and relevant authorization;
5. proposed issue of US dollar denominated bonds and provision of guarantee by the Company; and
6. proposed authorization to the relevant authorized person to sign and handle all matters in connection with the US dollar denominated bonds.

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

Shanghai, the PRC
9 March 2018

Notes:

1. For the purpose of holding the EGM, the H Shares register of members of the Company will be closed from Monday, 26 March 2018 to Wednesday, 25 April 2018 (both days inclusive), during which period no transfer of shares can be registered. In order for holders of H Shares 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, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 23 March 2018 for registration.

The holders of H Shares whose names appear on the H Shares register of members of the Company on Friday, 23 March 2018 after close of business 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 shareholder 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 of the Company 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 on its behalf.

NOTICE OF THE EGM

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 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 of the Company from attending and voting in person at the EGM or any adjourned meetings should they so wish.
5. 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 authorised representative to attend the EGM, the authorized representative shall produce his/her identification documents and a notarially certified copy of the relevant authorization 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 identification documents and the proxy form signed by the shareholders or their attorney when attending the EGM.
6. Holders of H Shares who intend to attend the EGM should complete the reply slip and return it to the office of the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H shares) on or before Thursday, 5 April 2018.
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.