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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)

CHANGE OF DIRECTORS

The board of directors (the “**Board**”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) announces that in support of the cadre rejuvenation strategy of the Company, Ms. ZHANG Qi (“**Ms. Zhang**”) has tendered her resignation as vice chairman, executive director, deputy general manager and a member of the strategy and investment committee due to personal age concern. Her resignation has taken effect on the date of delivery of the resignation letter to the Board. On 11 October 2018, the Board has resolved to approve the nomination of Mr. Guo Binghe (“**Mr. Guo**”) as executive director and a member of the strategy and investment committee. The appointment of Mr. Guo is subject to the approval of the shareholders of the Company at the 2018 second extraordinary general meeting to be held on 28 November 2018 (the “**EGM**”).

In addition, Mr. LI Zhenning (“**Mr. Li**”) and Mr. DING Yuan (“**Mr. Ding**”) have tendered their resignation as independent non-executive directors. Mr. Li has tendered his resignation as a member of the audit committee, a member of the remuneration and evaluation committee, a member of the strategy and investment committee and the chairman of the nomination committee of the Company and Mr. Ding has tendered his resignation as the chairman of the audit committee. Mr. Li and Mr. Ding has each served as an independent non-executive director of the Company for six years. According to Article 4.4 of the Guiding Opinions on Establishing Independent Director System for Listed Companies (《關於在上市公司建立獨立董事制度的指導意見》) issued by the China Securities Regulation Commission (the “**CSRC**”) and Article 15 of the Work System of Independent Non-executive Directors (《獨立非執行董事工作制度》) of the Company, the term (including re-election) of an independent non-executive director should not exceed six years.

Accordingly, Mr. Li and Mr. Ding tendered their resignation. Their resignation will take effect upon the appointment of new independent non-executive directors. On 11 October 2018, the Board has resolved to approve the nomination of Mr. WANG Xiao (“**Mr. Wang**”) as independent non-executive director, a member of the audit committee and a member of the remuneration and evaluation committee and Ms. ZHAO Chongyi (“**Ms. Zhao**”) as independent non-executive director, a member of the nomination committee and a member of the strategy and investment committee. The appointments of Mr. Wang and Ms. Zhao as independent non-executive directors of the Company are subject to the approval of the shareholders of the Company at the EGM. Before submitting the nomination of appointments to the shareholders of the Company at the EGM, the eligibility of each of the proposed independent non-executive directors is required to be approved with no objection by the Shanghai Stock Exchange (“**SSE**”). The Board considers Mr. Wang and Ms. Zhao both meet the independence requirements as set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”). For details of the time and arrangements of the EGM, please refer to the circular to be issued by the Company on 12 October 2018.

RESIGNATION OF VICE CHAIRMAN, EXECUTIVE DIRECTOR AND DEPUTY GENERAL MANAGER

The Board announces that, in support of the cadre rejuvenation strategy of the Company, Ms. Zhang has tendered her resignation as vice chairman, executive director, deputy general manager and a member of the strategy and investment committee due to personal age concern. Her resignation has taken effect on the date of delivery of the resignation to the Board. After her resignation, Ms. Zhang will no longer hold any position in the Company. Ms. Zhang has confirmed that she has no disagreement with the Board and there are no matters with respect to her resignation that need to be brought to the attention of the shareholders of the Company or the Hong Kong Stock Exchange.

Ms. Zhang showed diligence and dedication at work, and fulfilled her due responsibility by making outstanding achievements in the Company’s development during her term of office. The Board thinks highly of Ms. Zhang’s efforts in the development strategies, operational management, informatization, internal control and compliance and new businesses in the finance field, etc during her term of office, and would like to express its gratitude to Ms. Zhang.

APPOINTMENT OF AN EXECUTIVE DIRECTOR

On 11 October 2018, the Board has resolved to approve the nomination of Mr. Guo as executive director and a member of the strategy and investment committee. Pursuant to article 90 of the articles of association of the Company (the “**Articles of Association**”), the appointment of Mr. Guo will be effective upon obtaining the approval of the shareholders of the Company at the EGM. For details of the time and arrangements of the EGM, please refer to the circular to be issued by the Company on 12 October 2018.

The biographical details of Mr. Guo are set out below:

Mr. Guo Binghe, aged 45, joined the Company in June 2007 and has been a vice general manager of the Company since October 2011. Since December 2013, he has also been the secretary to the Board. He is primarily responsible for legal compliance, corporate governance, internal control, investor relations and information disclosure of the Company and providing support and assistance to the Board in the performance of its duties. Prior to joining the Company, Mr. Guo worked in the investment banking division of Shenyin & Wanguo Securities Co., Ltd. (申銀萬國證券股份有限公司) from July 2001 to March 2004. He then worked in Skyone Securities Co., Ltd. (天一證券有限公司) from March 2004 to October 2005. From 2006 to 2007, Mr. Guo served as assistant chief financial officer of Red Star Furniture Group. He has worked in the following subsidiaries, associates and joint ventures of the Company, including: serving as general manager of Shanghai Macalline Xinghe Asset Management Company Limited (上海美凱龍星荷資產管理有限公司) since November 2016; supervisor of Ziguang Shanghai Lelian Universal Internet of Things Technology Co., Ltd. (上海紫光樂聯物聯網科技有限公司) and a supervisor of Wuhu Meihe Asset Management Co., Ltd. (蕪湖美和資產管理有限公司) since February 2017, and director of Oriented Standard Human Resources Limited since March 2017.

Mr. Guo completed his studies in English education at Anhui Education College (安徽教育學院) (now known as Hefei Normal University (合肥師範學院)) in July 1998, and obtained a master’s degree in economics from Fudan University (復旦大學) in July 2001 and a degree of executive master of business administration from Cheung Kong Graduate School of Business (長江商學院).

Mr. Guo will enter into a service contract with the Company upon his appointment being approved by the shareholders of the Company at the EGM. The term of his appointment will be from the date of appointment approved at the general meeting to the end of the term of the third session of the Board and the date of expiry of the term of his appointment as a member of the strategy and investment committee will be the same as the other members of the strategy and investment committee. According to the Articles of Association, Mr. Guo may seek re-election after the expiry of his term of appointment. If either Mr. Guo or the Company provides the other party with not less than one month’s written notice, or Mr. Guo is not re-appointed after the end of his term of appointment, the service contract will be terminated. Mr. Guo will not receive any remuneration during his term of office as the executive director of the Company but will only receive remuneration for his position as a senior management.

Save as disclosed above, Mr. Guo does not hold any other position with the Company or its subsidiaries, has not held any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the date of his appointment and does not have other major appointments and professional qualifications.

To the best knowledge of the Company, Mr. Guo does not have any relationship with any other director, senior management, substantial shareholder or controlling shareholder of the Company, and other than the 1.504 million shares of the Company (representing approximately 0.042% of the total share capital of the Company) indirectly held through by Shanghai Jinghai Assets Management Center (Limited Partnership), he does not have any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and has not been subject to any disciplinary action by the CSRC or any other relevant authorities or the Hong Kong Stock Exchange.

Save as disclosed above, there is no other information required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of Listing Rules, nor are there any other matters that need to be brought to the attention of the shareholders of the Company, relating to Mr. Guo's appointment.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board announces that Mr. Li and Mr. Ding have tendered their resignation as independent non-executive directors. Mr. Li has also resigned as a member of the audit committee, a member of the remuneration and evaluation committee, a member of the strategy and investment committee and the chairman of the nomination committee of the Company and Mr. Ding has resigned as the chairman of the audit committee. Mr. Li and Mr. Ding has each served as an independent non-executive director of the Company for six years. According to Article 4.4 of the Guiding Opinions on Establishing Independent Director System for Listed Companies (《關於在上市公司建立獨立董事制度的指導意見》) issued by the CSRC and Article 15 of the Work System of the Independent Non-executive Directors (《獨立非執行董事工作制度》) of the Company, the term (including re-election) of an independent non-executive director should not exceed six years. Accordingly, Mr. Li and Mr. Ding tendered their resignation. Their resignation will take effect upon the appointment of new independent non-executive directors. Mr. Li and Mr. Ding has each confirmed that he has no disagreement with the Board and there are no matters with respect to their resignation that need to be brought to the attention of the shareholders of the Company or the Hong Kong Stock Exchange.

The Company would like to express its gratitude to Mr. Li and Mr. Ding for their diligence, dedication, fulfillment of due responsibility as an independent non-executive director and contributions to the Company during their terms of office as independent non-executive directors of the Company.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

On 11 October 2018, the Board has resolved to approve the nomination of Mr. Wang as independent non-executive director, a member of the audit committee and a member of the remuneration and evaluation committee and Ms. Zhao as independent non-executive director, a member of the nomination committee and a member of the strategy and investment committee. Pursuant to article 90 of the Articles of Association, the appointment of Mr. Wang and Ms. Zhao will be effective upon obtaining the approval of the shareholders of the Company at the EGM. The Board considers that Mr. Wang and Ms. Zhao both meet the independence requirements as set out in Rule 3.13 of the Listing Rules. For details of the time and arrangements of the EGM, please refer to the circular to be issued by the Company on 12 October 2018.

The biographical details of Mr. Wang are set out below:

Mr. Wang Xiao, aged 43, has been the partner of IDG Capital and responsible for the merger and acquisition business since December 2015. During April 2000 and March 2001, he served as manager in the head office of Bank of China. During March 2001 and March 2011, he served as senior manager in the SSE. From March 2011 to April 2015, he served as an investigator of the CSRC. From April 2015 to December 2015, he served as a deputy general manager of Shanghai Lujiazui International Financial Assets Commodity Exchange Co., Ltd. and a member of executive committee of Ping An Insurance (Group) Company of China, Ltd. (listed on the Stock Exchange of Hong Kong, stock code: 2318 and listed on the SSE, stock code: 601318). He also served as an independent director of Zhejiang Wanfeng Auto Wheel Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 002085) since May 2016 and an independent director of Long Yuan Construction Group Co, Ltd. (listed on the SSE, stock code: 600491) since March 2017. Mr. Wang is a professor (part-time) of the China Insurance Actuarial Research Institute (中國保險精算研究院) of Central University of Finance and Economics (中央財經大學) and is also a columnist of Caixin.com. Mr. Wang is a certified public accountant of the PRC and a CFA charterholder, and has obtained his qualification as an independent director from the SSE.

Mr. Wang obtained a master's degree in accounting from the Central University of Finance and Economics (中央財經大學) from September 1997 to April 2000, a master's degree in finance from the London Business School from September 2007 to June 2008. He obtained his PhD degree in management from Fudan University (復旦大學) from September 2004 to June 2009.

The biographical details of Ms. Zhao are set out below:

Ms. Zhao Chongyi, aged 44, has been the China regional chairman of Grand Parc Du Puy Du Fou since September 2013, director and senior deputy executive president of Puy Du Fou Asia Limited (Hong Kong) since July 2018, Asia regional partner and deputy president of Barnes International (France) since July 2016, and director and president of Barnes Asia Limited (Hong Kong) from March 2018 to present. She has also served as director and president of Tandem Partners Limited (Hong Kong) since April 2016, and as director of Chinaccessory Manufactory Co. Limited (Hong Kong) since October 2007. Ms. Zhao served as the general brand manager of Cheteau Medicis (France) from October 2003 to September 2007. Ms. Zhao has undertaken that she will attend the latest session of qualification training for independent non-executive directors held by the SSE in order to obtain the qualification certificate as an independent non-executive director.

Ms. Zhao obtained a master's degree in business administration in the Open University of Hong Kong from September 2001 to June 2003. Ms. Zhao received executive education from The John F. Kennedy School of Government at Harvard University from August 2014 to December 2014 and The Cheung Kong Graduate School of Business (長江商學院) from June 2017 to June 2018.

Each of Mr. Wang and Ms. Zhao will enter into a service contract with the Company upon their appointments being approved by the shareholders of the Company at the EGM. The term of their appointments will be from the date of appointment approved at the general meeting to the end of the term of the third session of the Board, and the date of expiry of the term of their appointments as members of the Board committees will be the same as the other members of the Board committees. According to the Articles of Association, Mr. Wang and Ms. Zhao may seek re-election after the expiry of the terms of each of their appointments. If either Mr. Wang or Ms. Zhao or the Company provides the other party with not less than one month's written notice, or either Mr. Wang or Ms. Zhao is not re-appointed after the end of his or her term of appointment, the service contract will be terminated. During the period when Mr. Wang and Ms. Zhao serve as the Company's independent non-executive directors, each of Mr. Wang and Ms. Zhao will receive their respective remuneration as a director of RMB600,000.00 per annum pursuant to their service contracts, which is determined with reference to Mr. Wang's and Ms. Zhao's experiences, roles and responsibilities.

Save as disclosed above, each of Mr. Wang and Ms. Zhao does not hold any other position with the Company or its subsidiaries, has not held any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the date of his or her appointment and does not have other major appointments and professional qualifications.

To the best knowledge of the Company, Mr. Wang and Ms. Zhao do not have any relationship with any other director, senior management, substantial shareholder or controlling shareholder of the Company, and do not have any interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and have not been subject to any disciplinary actions by the CSRC or any other relevant authorities or the Hong Kong Stock Exchange.

Save as disclosed above, there is no other information required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of Listing Rules, nor are there any other matters that need to be brought to the attention of the shareholders of the Company, relating to Mr. Wang and Ms. Zhao's appointments.

Before submitting the nomination of appointments to the shareholders of the Company at the EGM, the eligibility of each of the candidates for independent non-executive directors is required to be approved with no objection by the SSE.

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

Shanghai, the PRC
11 October 2018

At the date of this announcement, the executive directors of the Company are CHE Jianxing, CHE Jianfang and JIANG Xiaozhong; non-executive directors are CHEN Shuhong, XU Guofeng, Joseph Raymond GAGNON and ZHANG Qiqi; and independent non-executive directors are LI Zhenning, DING Yuan, LEE Kwan Hung and QIAN Shizheng.