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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)

**POLL RESULTS OF
THE 2018 ANNUAL GENERAL MEETING
HELD ON 16 MAY 2019**

Red Star Macalline Group Corporation Ltd. (the “**Company**”) announces that, at the 2018 annual general meeting of the Company (the “**AGM**”) held at 1:00 p.m. on Thursday, 16 May 2019 at Yamei 1 Ballroom, 3/F, Crowne Plaza Shanghai Noah Square, No. 1699, Jinshajiang Road, Putuo District, Shanghai, the People’s Republic of China (the “**PRC**”), the proposed resolutions set out in the notice of the AGM and the supplemental notice of the AGM were passed by way of poll. For details of the resolutions considered at the AGM, the Shareholders may refer to the notice of the AGM dated 1 April 2019, the circular of the AGM of the Company dated 1 April 2019 (the “**Circular**”), the supplemental notice of the AGM dated 23 April 2019 and the supplemental circular of the AGM of the Company dated 23 April 2019 (the “**Supplemental Circular**”). Unless otherwise defined in this announcement, capitalised terms used in this announcement shall have the meanings as those defined in the Circular and the Supplemental Circular.

As at the date of the AGM, the total number of Shares is 3,550,000,000 Shares (of which 2,876,103,969 are A Shares and 673,896,031 are H Shares). Certain Shareholders were required to abstain from voting on resolutions numbers 7 to 8 under the relevant PRC laws and regulations, and certain Shareholders were required to abstain from voting on resolutions numbers 9 to 11 under the Guiding Opinions. There was no Share entitling the holder to attend and abstain from voting in favour of the resolutions under Rule 13.40 of the Hong Kong Listing Rules. None of the Shareholders have stated their intention in the Circular or the Supplemental Circular to vote against or to abstain from voting on any of the resolutions at the AGM. Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company, acted as the scrutineer for vote-taking at the AGM. The convening of the AGM was in compliance with the Company Law of the PRC and the Articles of Association.

I. CONVENING OF THE MEETING

(1) AGM

The total number of Shares entitling the holders to attend and vote on the resolutions at the AGM was 3,550,000,000 Shares. The total number of Shares with voting rights represented by the Shareholders attending the AGM in person or by proxy was 2,547,724,842 Shares, representing approximately 71.766897% of the total number of Shares.

II. POLL RESULTS OF THE AGM

The poll results in respect of the respective resolutions at the AGM are set out below:

NO.	ORDINARY RESOLUTIONS	NUMBER OF VOTES (%)		
		FOR	AGAINST	ABSTAIN
(1)	To consider and approve the work report of the board of the Company for 2018	2,544,368,348 (99.868255%)	3,320,129 (0.130318%)	36,365 (0.001427%)
(2)	To consider and approve the work report of the supervisory committee of the Company for 2018	2,544,368,348 (99.868255%)	3,320,129 (0.130318%)	36,365 (0.001427%)
(3)	To consider and approve the final account report of the Company for 2018	2,544,368,248 (99.868251%)	3,320,229 (0.130322%)	36,365 (0.001427%)
(4)	To consider and approve the financial budget report of the Company for 2019	2,544,404,512 (99.869675%)	3,320,229 (0.130321%)	101 (0.000004%)
(5)	To consider and approve the annual report and annual results of the Company for the year ended 31 December 2018	2,544,368,248 (99.868251%)	3,320,229 (0.130322%)	36,365 (0.001427%)
(6)	To consider and approve the profit distribution plan of the Company for 2018	2,544,400,512 (99.869518%)	3,324,229 (0.130478%)	101 (0.000004%)
(7)	To consider and approve the resolution in respect of the remuneration of directors of the Company for 2018	134,088,740 (97.583617%)	3,320,229 (2.416309%)	101 (0.000074%)
(8)	To consider and approve the resolution in respect of the remuneration of supervisors of the Company for 2018	2,544,404,512 (99.869675%)	3,320,229 (0.130321%)	101 (0.000004%)
(9)	To consider and approve the resolution in respect of the second phase of the employee stock ownership plan (draft) and its extracts	130,599,755 (95.044494%)	6,809,214 (4.955432%)	101 (0.000074%)
(10)	To consider and approve the resolution in respect of measures for management of the second phase of the employee stock ownership plan of the Company	130,599,755 (95.044494%)	6,809,214 (4.955432%)	101 (0.000074%)

NO.	ORDINARY RESOLUTIONS	NUMBER OF VOTES (%)		
		FOR	AGAINST	ABSTAIN
(11)	To consider and approve the resolution in respect of authorization to the board to handle matters in connection with the second phase of the employee stock ownership plan of the Company by the general meeting	130,907,198 (95.268237%)	6,501,771 (4.731689%)	101 (0.000074%)
(12)	To consider and approve the resolution in respect of the implementation plans of share price stabilization and shareholding increase	2,544,060,366 (99.856167%)	3,664,275 (0.143825%)	201 (0.000008%)
(13)	To consider and approve the resolution on the appointment of the auditor for the financial report of the Company and the internal control auditor for the year 2019	2,543,545,557 (99.835960%)	4,179,184 (0.164036%)	101 (0.000004%)

Notes:

- (i) For the resolution numbered 7, Red Star Macalline Holding Group Company Limited, as a related Shareholder, was required to, and did, abstain from voting on the resolution at the AGM to approve the remuneration of directors of the Company for 2018.
- (ii) For the resolution numbered 8, Shanghai Hongmei Investment Management Center (Limited Partnership), as a related Shareholder, was required to, and did, abstain from voting on the resolution at the AGM to approve the remuneration of supervisors of the Company for 2018.
- (iii) Pursuant to the Guiding Opinions, Red Star Macalline Holding Group Company Limited, Shanghai Hongmei Investment Management Center (Limited Partnership), Shanghai Jinghai Assets Management Center (Limited Partnership), Shanghai Kaixing Business Administration Center (Limited Partnership), other Shareholders who intend to participate in the Second Phase Employee Stock Ownership Plan or Shareholders who are related with participants of the Second Phase Employee Stock Ownership Plan were required to, and did, abstain from voting on the resolution numbered 9 (implementation of the Employee Stock Ownership Plan), resolution numbered 10 (implementation of measures for management of the Employee Stock Ownership Plan) and resolution numbered 11 (matters in regarding to the authorization of the Board of Directors).
- (iv) To the best of the Directors' knowledge, information and belief, none of the other Shareholders were materially interested in approving the resolutions numbered 7 to 11 on the remuneration of directors of the Company for 2018, the remuneration of supervisors of the Company for 2018, and matters in respect of the proposed implementation of the Employee Stock Ownership Plan as at the date of the AGM.

As more than half of the votes from the Shareholders (including their proxies) attending the AGM were cast in favour of the resolutions numbered (1) to (13), these resolutions were duly passed as ordinary resolutions.

DISTRIBUTION OF FINAL DIVIDEND FOR 2018

Following the approval by the Shareholders at the AGM, the Board is pleased to announce that details relating to distribution of final dividend for 2018 to Shareholders are as follows:

The Company will distribute a final cash dividend for the year 2018 of RMB0.27 (tax inclusive) per Share with an aggregate amount of RMB958,500,000.00 (tax inclusive) to Shareholders. Due to the need to handle the dividend payment logistics, dividend will be distributed (i) on or about Friday, 28 June 2019 to A Share Shareholders whose names appear on the Share register of members of the Company on Thursday, 27 June 2019; and (ii) on or about Tuesday, 16 July 2019 to H Share Shareholders whose name appear on the Share register of members of the Company on Thursday, 27 June 2019. The distribution of final dividends for 2018 will be denominated and declared in RMB, and paid in RMB and in HK dollars to A Share Shareholders and H Share Shareholders, respectively. The actual amount distributed in HK dollars will be calculated based on the average benchmark exchange rate of RMB against HK dollar announced by the People's Bank of China in the five working days prior to the date of the AGM.

The average middle exchange rates of RMB against HK\$ published by the People's Bank of China in the 5 working days immediately prior to the AGM, that was, from 9 May 2019 to 15 May 2019, was HK\$1 to RMB0.867808. Accordingly, the final dividend payable per H Share is HK\$0.23430816 (tax inclusive).

As disclosed in the Circular, for the purpose of determining the entitlement of H Share Shareholders to the final dividends for 2018, the H Share register of members of the Company will be closed from Saturday, 22 June 2019 to Thursday, 27 June 2019 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the H Share register of members of the Company on Thursday, 27 June 2019 are entitled to the final dividends for 2018. In order to be entitled to receive the final dividends for 2018, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for H Share Shareholders) at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 21 June 2019.

The Company has appointed Computershare Hong Kong Trustees Limited as the receiving agent (the “**Receiving Agent**”) in Hong Kong which will receive the dividend declared by the Company on behalf of the H Share Shareholders. The dividend will be paid by the Receiving Agent and the dividend warrants will be posted by the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, by surface mail to H Share Shareholders who are entitled to receive the dividend at their own risk on or about 16 July 2019. For investors of the Shanghai Stock Exchange and the Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company (the “**Southbound Trading**”), the Company will distribute the cash dividend for 2018 to the Shanghai and Shenzhen Branch of China Securities Depository and Clearing Corporation Limited which, as the nominee of the investors of H Shares of Southbound Trading, will then distribute the cash dividends to the relevant investors of H Shares of Southbound Trading through its depository and clearing system. The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the H Shareholders of the Company.

Withholding of Income Taxes on Dividend Income

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Notice of the State Administration of Taxation on the Questions Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 45 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發 [1993]045 號文件廢止後有關個人所得稅徵管問題的通知》(國稅函 [2011]348 號)), other relevant laws and regulations and other regulatory documents, the Company shall, as a withholding agent, withhold and pay individual income tax for the individual H Share Shareholder in respect of the dividend to be distributed to them. However, the individual H Share Shareholder may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the individual H Share Shareholder are domiciled and the tax arrangements between Mainland China and Hong Kong (or Macau). For individual H Share Shareholder in general, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual H Share Shareholder in the distribution of the dividend. However, the tax rates applicable to individual H Share Shareholder overseas may vary depending on the tax treaties between the PRC and the countries (regions) in which the individual H Share Shareholder are domiciled, and the Company will withhold and pay individual income tax on behalf of the individual H Share Shareholder in the distribution of the dividend accordingly.

For non-resident enterprise H Share Shareholders, i.e., any shareholders who hold the Company's shares in the name of non-individual shareholders, including but not limited to HKSCC Nominee Limited, other nominees, trustees, or holders of H Shares registered in the name of other groups and organisations, the Company will withhold and pay the enterprise income tax at the tax rate of 10% for such H Share Shareholders pursuant to the Notice of the State Administration of Taxation on the Issues Concerning Withholding the Enterprises Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Shareholders Who Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《國家稅務總局關於中國居民企業向境外 H 股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函 [2008]897 號)).

Pursuant to the Notice on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅 [2014]81 號)):

- For mainland individual investors of Southbound Trading, the Company will withhold individual income tax at the rate of 20% in the distribution of final dividend. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of the Shanghai Branch of China Securities Depository and Clearing Company Limited for tax credit relating to the withholding tax already paid abroad. For mainland securities investment funds of Southbound Trading, the Company will withhold individual income tax in the distribution of final dividend pursuant to the foregoing provisions; and
- For mainland corporate investors of Southbound Trading, the Company will not withhold the income tax in the distribution of final dividend and the mainland corporate investors shall file the tax returns on their own.

In accordance with the Notification on Relevant Tax Policies for Pilot Operation of Transaction Interconnection Mechanism of Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》)(財稅[2016]127號):

- For the dividend income obtained by mainland individual investors from investment in H Shares of the Company through HK-Shenzhen Stock Connect, the Company shall withhold the income tax as per the 20% tax rate. For the dividend income obtained by mainland securities investment funds from investment in H Shares of the Company through HK-Shenzhen Stock Connect, the income tax shall be levied in accordance with the above provisions; and
- For the dividend income obtained by mainland enterprise investors from investment in H Shares of the Company through HK-Shenzhen Stock Connect, the income tax on the mainland enterprises shall not be withheld by the Company, and the tax payable shall be declared and paid by the mainland enterprises.

Should the H Share Shareholders have any doubts in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for the relevant tax impacts in mainland China, Hong Kong (or Macau) and other countries (regions) on the possession and disposal of the H Shares.

Shareholders should read the above item carefully, if anyone would like to change the identity of the Shareholder, please enquire about the relevant procedures with the nominees or trustees. The Company is neither obligated nor responsible for ascertaining the identity of the Shareholders and will strictly comply with the relevant laws on withholding enterprise income taxes in accordance with the records of the H Share register as at the record date, and will not entertain any requests in relation to any delay or error in ascertaining the identity of the Shareholders.

By Order of the Board
Red Star Macalline Group Corporation Ltd.
GUO Binghe
Vice Chairman

Shanghai, the PRC
16 May 2019

As at the date of this announcement, the executive Directors of the Company are CHE Jianxing, GUO Binghe, CHE Jianfang and JIANG Xiaozhong; the non-executive Directors are CHEN Shuhong, XU Guofeng, Joseph Raymond GAGNON and ZHANG Qiqi; and the independent non-executive Directors are QIAN Shizheng, LEE Kwan Hung, WANG Xiao and ZHAO Chongyi.