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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 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.

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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)

ELECTION OF THE NON-EXECUTIVE DIRECTORS PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION AND NOTICE OF THE 2019 SECOND EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 2 to 6 of this circular. A notice of the extraordinary general meeting (the "EGM") to be held at 2:00 p.m. on Wednesday, 16 October 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"), 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, 26 September 2019.

Shareholders 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 notarized.

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 H Share Shareholders, 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. For A Share Shareholders, please return the proxy form together with any documents of authority to the headquarters of the Company in the PRC at 9/F Red Star World Trade Building, No. 598, Nujiang Road North, Putuo District, Shanghai, the 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 in person at the EGM or any adjournment thereof should you so wish.

9 August 2019

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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)” | the ordinary share(s) issued by the Company, with a nominal value of RMB1.0 each, listed on the Shanghai Stock Exchange and traded in RMB |
| “A Share Shareholder(s)” | the holder(s) of the A Share(s) |
| “Articles of Association” | the articles of association of the Company |
| “Board” | the board of directors of the Company |
| “Company” | Red Star Macalline Group Corporation Ltd. (紅星美凱龍家居集團股份有限公司), a sino-foreign joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 1528) |
| “EGM” | the extraordinary general meeting of the Company to be convened and held on 16 October 2019 |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “H Share(s)” | overseas-listed foreign invested ordinary share(s) with a nominal value of RMB1.0 each in the share capital of the Company, which is/are listed on The Stock Exchange of Hong Kong Limited and traded in HK\$ |
| “H Share Shareholder(s)” | the holder(s) of the H Share(s) |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “PRC” | the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Share(s)” | the A Share(s) or H Share(s) |
| “Shareholder(s)” | the A Share Shareholder(s) and the H Share Shareholder(s) of the Company |
| “Stock Exchange” or “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Supervisor(s)” | supervisor(s) of the Supervisory Committee |
| “Supervisory Committee” | the supervisory committee of the Company |

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
Mr. Guo Binghe
Ms. Che Jianfang
Mr. Jiang Xiaozhong

Non-executive Directors:

Ms. Chen Shuhong
Mr. Xu Guofeng

Independent non-executive Directors:

Mr. Lee Kwan Hung
Mr. Qian Shizheng
Mr. Wang Xiao
Ms. Zhao Chongyi

Registered office in the PRC:

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

Principal place of business

in Hong Kong:

31/F, Tower 2
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

9 August 2019

To the Shareholders

Dear Sir or Madam,

**ELECTION OF THE NON-EXECUTIVE DIRECTORS
PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF THE 2019 SECOND EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 21 July 2019 on appointments of the non-executive Directors and proposed amendment to Articles of Association. At the Board meeting held on 19 July 2019, the following resolutions have been passed by the Board: (1) the appointment of Mr. JING Jie (“**Mr. Jing**”) as the non-executive Director; and (2) the appointment of Mr. XU Hong (“**Mr. Xu**”) as the non-executive Director.

The above two resolutions shall be approved by the Shareholders by way of ordinary resolutions.

Meanwhile, the Board recommends making certain amendment to the Articles of Association, in order to further optimize the internal management system of the Company.

LETTER FROM THE BOARD

The above resolution shall be approved by the Shareholders by way of a special resolution.

The purpose of this circular is to provide you with the information regarding the (i) the election of Mr. Jing and Mr. Xu as the non-executive Directors; and (ii) the proposed amendment to the Articles of Association, in order to enable you to make informed decision on whether to vote for or against the proposed resolutions at the EGM.

2. ELECTION OF THE NON-EXECUTIVE DIRECTORS

On 19 July 2019, the Board has resolved and approved to nominate Mr. Jing as the non-executive Director of the Company and Mr. Xu as the non-executive Director of the Company and a member of the Strategy and Investment Committee. Pursuant to Article 90 of the Articles of Association, the appointments of both Mr. Jing and Mr. Xu shall be subject to approval by the Shareholders at the EGM.

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

Mr. JING Jie, aged 45, joined Alibaba Group Holding Limited (listed on the New York Stock Exchange, stock code: BABA) (“**Alibaba Group**”) in June 2015 and successively was responsible for Tmall Marketing, Strategic Partnership Development of Alibaba Group, Tmall FMCG and has served as president of Tmall since December 2017. Mr. Jing currently serves as a vice president of Alibaba Group and an assistant to CEO and has been a member of the Executive Committee of Five New Sectors (「五新」執行委員會) of Alibaba Group since July 2017. From July 1998 to August 2012, he worked at P&G (Guangzhou) Ltd. and was promoted to a vice president of Brand Operations in Greater China Region since 2009. From September 2012 to June 2015, Mr. Jing served as the general manager of Brand Management and the general manager of Convenience Foods Management at COFCO Food Sales & Distribution Co., Ltd., and was in charge of the E-commerce business of China Foods.

From September 1991 to July 1995, Mr. Jing studied at the Department of Computer Science and Technology of Nanjing University and obtained a bachelor degree of science, and obtained a master degree of engineering in July 1998.

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

Mr. XU Hong, aged 46, joined Alibaba Group in July 2018, where he currently serves as a vice president and a special assistant to CEO. From August 1996 to June 2018, he worked at PricewaterhouseCoopers Zhong Tian LLP and was promoted to a partner in July 2007. He has concurrently served as a non-executive director of Lianhua Supermarket Holdings Co., Ltd. (listed on the Hong Kong Stock Exchange, stock code: 980) since August 2018, a director of DSM Grup Danışmanlık İletişim Ve Satış Ticaret Anonim Şirketi since August 2018, a director of C2 Capital Partners GP Limited since February 2019, a non-independent director of Suning.com Group Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 2024) since May 2019, and a non-executive director of Alibaba Health Information Technology Limited (listed on the Hong Kong Stock Exchange, stock code: 241) since June 2019.

From September 1991 to July 1996, Mr. Xu studied at the Department of Physics of Fudan University and obtained a bachelor degree of science, and is a certified public accountant in the PRC.

LETTER FROM THE BOARD

Each of Mr. Jing and Mr. Xu will enter into a service contract with the Company upon their appointments being approved by the Shareholders at the EGM. The term of their appointments will be from the date of appointment approved at the EGM to the end of the term of the third session of the Board of the Company, and the term of Mr. Xu's appointment as a member of the Strategy and Investment Committee of the Board will be the same as that of the other members of the Strategy and Investment Committee. According to the Articles of Association, Mr. Jing and Mr. Xu may seek re-election after the expiration of the term of their appointments. If either Mr. Jing or Mr. Xu or the Company provides the counterparty with written notice of not less than one month, or Mr. Jing or Mr. Xu is not re-appointed after the expiration of the term of their appointments, the service contracts will be terminated. Mr. Jing and Mr. Xu will not receive any remunerations during their terms as the non-executive Directors.

Save as disclosed above, none of Mr. Jing and Mr. Xu held any other positions of the Company or its subsidiaries, nor did they hold any directorships in any other public companies within the three years prior to the date of their appointments, of which the securities are listed on any securities market in Hong Kong or overseas and nor did they have other major appointments and professional qualifications.

To the best knowledge of the Company, Mr. Jing and Mr. Xu do not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders 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 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 Rules 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, relating to Mr. Jing and Mr. Xu's appointments.

The aforementioned resolutions were considered and approved at the fifty-fourth provisional meeting of the third session of the Board of the Company, and are hereby submitted to the Shareholders for consideration.

LETTER FROM THE BOARD

3. PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Board recommends making certain amendment to the Articles of Association in order to further optimize the internal management system of the Company.

Details of the amendment to the Articles of Association are as follows:

| Existing Term of Articles of Association | Proposed Amendment to Articles of Association |
|--|--|
| <p>Article 147 The Supervisory Committee shall comprise five members, including one chairman. The term of office of a supervisor shall be three years, and is renewable upon re-election.</p> <p>The chairman shall be appointed or removed by the votes of more than two-thirds of the members of the Supervisory Committee.</p> | <p>Article 147 The Supervisory Committee shall comprise fivefour members, including one chairman. The term of office of a supervisor shall be three years, and is renewable upon re-election.</p> <p>The chairman shall be appointed or removed by the votes of more than two-thirds of the members of the Supervisory Committee.</p> |

Save for the above amendment to the provision, other provisions of the Articles of Association will remain unchanged. The proposed amendment to the Articles of Association is subject to the approval of the Shareholders at the EGM, and it is proposed at the EGM to authorise the Board and the Board to then authorise the operating management of the Company to handle relevant formalities such as the registration/filing of changes with relevant competent departments in respect of the amendment to the Articles of Association.

It is hereby proposed at the 2019 Second Extraordinary General Meeting for Shareholders' consideration and approval.

4. THE 2019 SECOND EXTRAORDINARY GENERAL MEETING

A notice of the EGM to be held at 2:00 p.m. on Wednesday, 16 October 2019 at Yamei 1 Ballroom, 3/F, Crowne Plaza Shanghai Noah Square, No. 1699, Jinshajiang Road, Putuo District, Shanghai, the PRC, is set out on pages 7 to 8 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). H Share Shareholders 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 H Share Shareholders, 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 notarized 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

H Share Shareholders who intend to attend the EGM must complete the reply slip and return it to the office of the H Share Registrar of the Company not later than 20 days before the date of the EGM, i.e. no later than Thursday, 26 September 2019.

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, 16 September 2019 to Wednesday, 16 October 2019 (both days inclusive), during this period no transfer of H Shares will be registered. H Share Shareholders whose names appear on the H Shares register of members of the Company on Friday, 13 September 2019 after close of business are entitled to attend and vote at the EGM. For information relating to attend at the EGM for A Share Shareholder, please refer to the A Share announcement of the Company published on the website of Shanghai Stock Exchange.

In order to attend at the EGM, H Share Shareholders shall lodge all transfer documents together with the relevant share certificates to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, 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, 13 September 2019.

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.

5. RECOMMENDATION

The Directors consider that aforementioned resolutions related to the election of the non-executive Directors and the proposed amendment to Articles of Association are in the interests of the Company and the Shareholders as a whole. Accordingly, it is recommended that the Shareholders vote in favour of resolutions to be proposed at the EGM.

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

NOTICE OF THE 2019 SECOND EXTRAORDINARY GENERAL MEETING



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 2019 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2019 second extraordinary general meeting (the “EGM”) of Red Star Macalline Group Corporation Ltd. (the “Company”) will be held at 2:00 p.m. on Wednesday, 16 October 2019 at Yamei 1 Ballroom, 3/F, Crowne Plaza Shanghai Noah Square, No. 1699, Jinshajiang Road, Putuo District, Shanghai, the People Republic of China (the “PRC”) for the purpose of considering, and if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the appointment of Mr. JING Jie as the non-executive Director of the Board; and
2. To consider and approve the appointment of Mr. XU Hong as the non-executive Director of the Board.

SPECIAL RESOLUTION

1. To consider and approve the amendment to the Articles of Association.

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

Hong Kong
9 August 2019

NOTICE OF THE 2019 SECOND EXTRAORDINARY GENERAL MEETING

Notes:

1. For the purpose of holding the EGM, the register of members of the Company will be closed from Monday, 16 September 2019 to Wednesday, 16 October 2019 (both days inclusive), during which period no transfer of shares can be registered. In order for H Share Shareholders 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, 13 September 2019 for registration.

The Shareholders whose names appear on the register of members of the Company on Friday, 13 September 2019 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 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.
4. In order to be valid, the proxy form must be deposited, for H Share Shareholders 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 notarized 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.
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 authorised representative shall produce his/her identification documents and a notarized copy of the relevant authorisation instrument signed by the board of directors or other authorised parties of the corporate Shareholders or other notarized 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. Shareholders 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 (for H Share Shareholders) by hand, by post or by fax on or before Thursday, 26 September 2019.
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.