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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)**

# **OVERSEAS REGULATORY ANNOUNCEMENT ANNOUNCEMENT ON THE PUBLIC SOLICITATION OF VOTING RIGHTS BY INDEPENDENT DIRECTOR**

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors and all directors of the Company confirm that there are no false representations, misleading statements, or material omissions in this announcement, and they shall individually and collectively accept full responsibility for the truthfulness, accuracy and completeness of contents herein.

### **IMPORTANT NOTICE:**

- Time for solicitation of voting rights: 17 April 2020 to 20 April 2020
- Voting direction of the soliciting party on all matters being voted on: approve
- The soliciting party does not hold any share in the Company.

Red Star Macalline Group Corporation Ltd. (the “**Company**”) offered, in accordance with the relevant requirements of the Administrative Measures on Share Incentives of Listed Companies (hereinafter referred to as the “**Administrative Measures**”) promulgated by the China Securities Regulatory Commission (hereinafter referred to as the “**CSRC**”), a solicitation of voting rights by Mr. QIAN Shizheng, an independent director of the Company, acting as a soliciting party to all shareholders of the Company in connection with the relevant resolutions on the 2020 Share Option Incentive Scheme (hereinafter referred to as the “**Share Incentive Scheme**” or the “**Incentive Scheme**”) of the Company to be considered at the 2020 First Extraordinary General Meeting, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting to be held on 21 April 2020.

# **1. BASIC INFORMATION AND VOTING OPINION OF THE SOLICITING PARTY ON THE MATTERS BEING VOTED ON AND THE REASONS THEREFOR**

## **A. Basic Information of the Soliciting Party**

QIAN Shizheng, the soliciting party of this solicitation of voting rights (hereinafter referred to as the “**Soliciting Party**”), currently serves as an independent director of the Company and does not hold any share in the Company. For his biographic details, please refer to the 2018 annual report of the Company.

## **B. Voting Opinions of the Soliciting Party on the Matters being Voted and the Reasons therefor**

QIAN Shizheng, the Soliciting Party, during the fifth extraordinary meeting of the fourth session of the board of directors held by the Company on 22 February 2020 and the seventh extraordinary meeting of the fourth session of the board of directors held by the Company on 25 March 2020, voted for the Resolution on the 2020 Share Option Incentive Scheme of Red Star Macalline Group Corporation Ltd. (Draft) and its summary, the Resolution on the Assessment Measures in respect of the Implementation of the 2020 Share Option Incentive Scheme of Red Star Macalline Group Corporation Ltd., the Resolution on proposing the Shareholders’ General Meeting to authorize the Board to handle matters in relation to the 2020 Share Option Incentive Scheme, and the Resolution on the grant of specific mandate to the Board to issue up to 30,850,000 A Shares in order to satisfy the Company’s grant of Share Options to the Participants in accordance with the 2020 Share Option Incentive Scheme of Red Star Macalline Group Corporation Ltd. to be considered at the meeting, and was of the view that the Company’s Incentive Scheme is conducive to the Company’s sustainable development and forming a long-term incentive mechanism for core talents and that the interests of the Company and its shareholders, especially minority shareholders, will not be harmed. All the participants granted share options under the Company’s Incentive Scheme meet the conditions to be become a participant as stipulated by laws and regulations and normative documents. The Soliciting Party agreed to the implementation of the Incentive Scheme by the Company and agreed to submit the abovementioned resolutions to the Company’s Shareholders’ general meeting for consideration.

The specific reasons are as follows:

- (1) There is no known circumstance where the Company will be forbidden to implement the Share Incentive Scheme as prescribed in the Administrative Measures and other laws and regulations. The Company has the subject qualification to implement an incentive scheme;

- (2) All the participants determined by the Company's Incentive Scheme have the qualifications required by laws, regulations and normative documents such as the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Securities Law of the People's Republic of China (hereinafter referred to as the "**Securities Law**") and the Articles of Association; no candidates have been identified by the stock exchanges, the CSRC and its local agencies as inappropriate candidates within the last 12 months; there have been no administrative penalties or market ban measures adopted by the CSRC and its local agencies for major violations of laws and regulations within the last 12 months; there are no circumstances where the participants are not allowed to hold the offices of directors and senior management of the Company as prescribed in the Company Law, and no circumstances where they are prohibited from participation in share incentives of listed companies by laws and regulations; and all the participants meet the conditions to become a participant as stipulated in the Administrative Measures, and therefore their subject qualifications as participants of the Company's Incentive Scheme are legal and effective;
- (3) The content of the Incentive Scheme of the Company is in compliance with the requirements under relevant laws, regulations and normative documents including the Company Law, the Securities Law and the Administrative Measures; the exercise arrangement (including granted amount, date of grant, exercise price, vesting period, exercise period, exercise conditions and other matters) for share options exercisable by each participant does not violate the requirements under relevant laws, regulations and normative documents and does not interfere the interests of the Company and its shareholders as a whole;
- (4) The Company does not have any plan or arrangement to provide loans, loan guarantees or any other financial assistance to the participants;
- (5) The related directors have abstained from voting on relevant resolutions in accordance with the requirements under relevant laws, regulations and normative documents including the Company Law, the Securities Law and the Administrative Measure, as well as the Articles of Association when the Board considered such resolutions.
- (6) The implementation of the Incentive Scheme of the Company can further improve the incentive and constraint mechanism and the remuneration and assessment system of the Company, enhance the ability of sustainable development of the Company, form shared interests between the operators and the shareholders, increase management efficiency and motivation, creativity and responsibility of the operators, which ultimately contributes to better performance of the Company, ensures the achievement of the development strategies and operation objectives of the Company in the future, leading to higher and more consistent returns to shareholders.

## 2. GENERAL INFORMATION OF THE SHAREHOLDERS' GENERAL MEETING

### A. Time and Date of the Meeting

Time and date of on-site meeting: 14:00 on 21 April 2020

Time and date of online voting: 21 April 2020 (applicable to A Share shareholder(s) only)

The Company adopts the network voting system of the Shanghai Stock Exchange for the Shareholders' general meeting. The time for casting votes via the voting platform of the trading system is the trading hours on the date on which the Shareholders' general meeting will be held, i.e. from 9:15 to 9:25, from 9:30 to 11:30 and from 13:00 to 15:00. The time for casting votes via network voting platform will be from 9:15 to 15:00 on the date on which the Shareholders' general meeting will be held.

### B. Venue of the Meeting

Conference Center, 3/F, South Building, Block B, Red Star Macalline Headquarters, Lane 1466, Shenchang Road, Minhang District, Shanghai, at which the meeting will be held in the order of the 2020 First Extraordinary General Meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

### C. The Resolutions on the Public Solicitation of Voting Rights by Independent Director at the Shareholders' General Meeting

No.	RESOLUTION	FOR	AGAINST	ABSTAIN
1	Resolution on the 2020 Share Option Incentive Scheme of Red Star Macalline Group Corporation Ltd. (Draft) and its summary			
2	Resolution on the Assessment Measures in respect of the Implementation of the 2020 Share Option Incentive Scheme of Red Star Macalline Group Corporation Ltd.			
3	Resolution on proposing the Shareholders' General Meeting to authorize the Board to handle matters in relation to the 2020 Share Option Incentive Scheme			
4	Resolution on the grant of specific mandate to the Board to issue up to 30,850,000 A Shares in order to satisfy the Company's grant of Share Options to the Participants in accordance with the 2020 Share Option Incentive Scheme of Red Star Macalline Group Corporation Ltd.			

For details of the notices of the 2020 First Extraordinary General Meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, please refer to the "Notices of the 2020 First Extraordinary General Meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of Red Star Macalline Group Corporation Ltd." published at the information disclosure website designated by the CSRC on the same date.

### **3. SOLICITATION PLAN**

The Soliciting Party has prepared a solicitation plan for the solicitation of voting rights in accordance with the requirements of current laws, administrative regulations and normative documents of the PRC as well as the Articles of Association, the details of which are as follows:

#### **A. Target of solicitation**

A Shareholders registered with China Securities Depository and Clearing Corporation Limited, Shanghai Branch after the close of trading in the afternoon on 16 April 2020, H Shareholders registered with Computershare Hong Kong Investor Services Limited after the close of trading in the afternoon on 15 April 2020.

#### **B. Solicitation period**

From 17 April 2020 to 20 April 2020.

#### **C. Procedures for solicitation for A Shareholders**

- (1) Complete each of the items specified in the Proxy Form for the Public Solicitation of Voting Rights by Independent Director (hereinafter referred to as "**Proxy Form**") and with the form and content as determined in appendix to this report.
- (2) The Proxy Form should be signed and returned together with the following documents as required:
  - (i) in case of a legal person shareholder, a copy of its legal person business license, the photocopy of the identification document of its legal representative, the original Proxy Form and a copy of shareholder's account card should be furnished. The legal representative should sign and the company seal should be affixed on each page of all documents in this paragraph furnished by the legal person shareholder;
  - (ii) in case of an individual shareholder, the photocopy of his/her identification document, the original Proxy Form and a copy of shareholder's account card should be furnished;

- (iii) the Proxy Form signed by other persons on behalf of the shareholders should be notarised by a public notary and the notarisation letter should be furnished together with the original Proxy Form. Notarisation is not required for Proxy Form signed by shareholders on their own or legal representatives of corporate shareholders.

In case of H Shareholders: H Shareholders are required to complete and sign the Proxy Form in accordance with the instructions set forth in the proxy form for the solicitation of voting rights by the independent non-executive Directors. The Proxy Form signed by other persons on behalf of the shareholders should be notarised by a public notary and the notarisation letter should be furnished together with the original Proxy Form. Notarisation is not required for Proxy Form signed by shareholders on their own or legal representatives of corporate shareholders.

- (3) Shareholders appointing the Soliciting Party as the proxy to vote on their behalf should deliver the Proxy Form and relevant documents to the address specified in this report by courier, registered post or express mail within the solicitation period after the relevant documents have been prepared in accordance with the requirements abovementioned. In case of registered posts or express mails, the postal date affixed by the post office of the destination of delivery shall be deemed as the date of delivery.

A Shareholders appointing the Soliciting Party as the proxy should deliver the Proxy Form and the relevant documents to the address and addressee specified below:

Address: B1 Corporate Post Office, Block A, Red Star Macalline Headquarters,  
No. 5, Lane 1466, Shenchang Road, Minhang District, Shanghai

Addressee: Secretariat of the Board

Postal code: 201106

Telephone number: 021-52820220

H Shareholders appointing the Soliciting Party as the proxy should deliver the Proxy Form and the relevant documents to the address and addressee specified below:

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Addressee: Computershare Hong Kong Investor Services Limited

Telephone number: +852 2862 8555

All documents provided shall be properly sealed and the telephone number and contact person of the shareholders appointing the Soliciting Party as the proxy should be specified. The words of "Proxy Form for the Public Solicitation of Voting Rights by Independent Director" should be clearly indicated.

- (4) Proxy Form will be confirmed as valid upon full compliance with the following conditions as verified by the attesting lawyers of law firm after all the required documents to be furnished by shareholders appointing the Soliciting Party as the proxy have been duly delivered:
- (i) the Proxy Form and the relevant documents have been delivered to the designated address in accordance with the solicitation procedures set out in this report;
  - (ii) the Proxy Form and the relevant documents have been submitted within the solicitation period;
  - (iii) the Proxy Form has been completed and signed by the shareholders in the form specified in the appendix to this report with clear and specific authorization and the relevant documents submitted being complete and valid;
  - (iv) the Proxy Form and the relevant documents furnished have been consistent with the records of the share register.
- (5) Where a shareholder gives duplicate voting instructions to the Soliciting Party in respect of the matters for which the voting rights are being solicited, the latest Proxy Form signed by the shareholder shall be deemed as the valid one if the contents of authorization are different. If the timing of the signature could not be ascertained, the latest Proxy Form received by the Company shall be deemed as the valid one. The latest Proxy Form received by the Company if the order of the timing could not be ascertained, shall the Soliciting Party request the authorization of the appointor. If the authorized appointor is unable to confirm the contents of the authorization by such way, the authorization shall be invalid.
- (6) A shareholder may attend a meeting in person or by proxy notwithstanding the appointment of the Soliciting Party as his/her proxy in respect of the matters under solicitation, but he/she shall not be entitled to vote.
- (7) If a proxy form verified to be valid falls under any of the following circumstances, the Soliciting Party may handle it in accordance with the following requirements:
- (i) where a shareholder has appointed the Soliciting Party as proxy to exercise the solicited voting rights, such shareholder may expressly revoke in writing his/her previous appointment of the Soliciting Party as his/her proxy before the closing time for on-site registration at the meeting, in which case the Soliciting Party shall treat the appointment of the Soliciting Party as the proxy invalid;
  - (ii) if the shareholder has authorized the solicitation of voting rights to someone other than Soliciting Party to vote and attend the meeting and expressly revokes the authorization to Soliciting Party in writing before the deadline for registration at on-site meeting, the authorization to Soliciting Party shall be deemed invalid automatically; and if the shareholder does not expressly revoke the authorization to Soliciting Party in writing before the deadline for registration at the on-site meeting, the authorization to the Soliciting Party shall be the only valid authorization;

- (iii) shareholders shall specify their voting instructions in the Proxy Form submitted, and choose from “For”, “Against” and “Abstain”. If more than one is selected or none is selected, the Proxy Form shall be deemed invalid by the Soliciting Party.
- (8) Due to the special nature of solicitation of voting rights, when conducting a review of the Proxy Form, the Proxy Form submitted by shareholders in accordance with this announcement is only formally reviewed. Whether the signatures and seals on the Proxy Form and related documents are indeed signed or sealed by the shareholders themselves, or whether or not these documents are actually issued by the shareholders themselves or entrusted agent authorized by the shareholders will not be substantially reviewed. A Proxy Form together with the relevant certification documents in accordance with the formal requirements stipulated in this announcement will be deemed valid.

Soliciting Party: QIAN Shizheng  
26 March 2020

Appendix 1: Proxy Form for the Public Solicitation of Voting Rights by Independent Director for 2020 First Extraordinary General Meeting

Appendix 2: Proxy Form for the Public Solicitation of Voting Rights by Independent Director for the A Shareholders’ Class Meeting

## Appendix 1:

# RED STAR MACALLINE GROUP CORPORATION LTD.

## 2020 FIRST EXTRAORDINARY GENERAL MEETING PROXY FORM FOR THE PUBLIC SOLICITATION OF VOTING RIGHTS BY INDEPENDENT DIRECTOR

I/The Company as the appointing party confirms that I/the Company have, prior to signing this proxy form, read carefully the Announcement on Public Solicitation of Voting Rights by Independent Director of Red Star Macalline Group Corporation Ltd. prepared and published by the Soliciting Party for the current solicitation of voting rights, the Notice of the 2020 First Extraordinary General Meeting, A Shareholders' Class Meeting and H Shareholders' Class Meeting of Red Star Macalline Group Corporation Ltd. and other relevant documents, and I/the Company have been sufficiently informed about the details relating to the current solicitation of voting rights. I/The Company have the right to, at any time prior to registering for the on-site meeting, revoke the appointment of the Soliciting Party under this proxy form or to amend the contents of this solicitation proxy form in accordance with procedures specified in the Report on the Solicitation of Voting Rights by the Independent Director.

As the appointing party, I/the Company hereby appoint Mr. QIAN Shizheng, an Independent Director of Red Star Macalline Group Corporation Ltd., as my/the Company's proxy to attend the 2020 First Extraordinary General Meeting of Red Star Macalline Group Corporation Ltd. and to exercise the voting rights in respect of following matters to be considered and approved at the meeting in accordance with instructions stipulated in this proxy form. My/The Company's voting directions in respect of the matters for which voting rights are being solicited are as follows:

No.	RESOLUTIONS	FOR	AGAINST	ABSTAIN
1	Resolution on the 2020 Share Option Incentive Scheme of Red Star Macalline Group Corporation Ltd. (Draft) and its summary			
2	Resolution on the Assessment Measures in respect of the Implementation of the 2020 Share Option Incentive Scheme of Red Star Macalline Group Corporation Ltd.			
3	Resolution on proposing the Shareholders' General Meeting to authorize the Board to handle matters in relation to the 2020 Share Option Incentive Scheme			
4	Resolution on the grant of specific mandate to the Board to issue up to 30,850,000 A Shares in order to satisfy the Company's grant of Share Options to the Participants in accordance with the 2020 Share Option Incentive Scheme of Red Star Macalline Group Corporation Ltd.			

(The appointing party shall show instructions to the proxy for each resolution. The specific authorizations are subject to the ticks on corresponding boxes and no tick on all boxes is deemed to abstain from voting.)

Name of the appointing party (signature or seal):

ID number or business license number of the appointing shareholder:

Shareholdings of the appointing shareholder:

Securities account number of the appointing shareholder:

Date of signature:

Validity of the authorization: from the date of signature to the conclusion of the 2020 First Extraordinary General Meeting.

## Appendix 2:

# RED STAR MACALLINE GROUP CORPORATION LTD.

## A SHAREHOLDERS' CLASS MEETING PROXY FORM FOR THE PUBLIC SOLICITATION OF VOTING RIGHTS BY INDEPENDENT DIRECTOR

I/The Company as the appointing party confirms that I/the Company have, prior to signing this solicitation proxy form, read carefully the Announcement on Public Solicitation of Voting Rights by Independent Director of Red Star Macalline Group Corporation Ltd. prepared and published by the Soliciting Party for the current solicitation of voting rights, the Notice of the 2020 First Extraordinary General Meeting, A Shareholders' Class Meeting and H Shareholders' Class Meeting of Red Star Macalline Group Corporation Ltd. and other relevant documents, and I/the Company have been sufficiently informed about the details relating to the current solicitation of voting rights. I/The Company have the right to, at any time prior to registering for the on-site meeting, revoke the appointment of the Soliciting Party under this solicitation proxy form or to amend the contents of this solicitation proxy form in accordance with procedures specified in the Report on the Solicitation of Voting Rights by the Independent Director.

As the appointing party, I/the Company hereby appoint Mr. QIAN Shizheng, an Independent Director of Red Star Macalline Group Corporation Ltd., as my/the Company's proxy to attend the A Shareholders' Class Meeting of Red Star Macalline Group Corporation Ltd. and to exercise the voting rights in respect of matters stipulated in this solicitation proxy form in accordance with instructions contained herein. My/The Company's voting directions in respect of the matters for which voting rights are being solicited are as follows:

No.	RESOLUTIONS	FOR	AGAINST	ABSTAIN
1	Resolution on the 2020 Share Option Incentive Scheme of Red Star Macalline Group Corporation Ltd. (Draft) and its summary			
2	Resolution on the Assessment Measures in respect of the Implementation of the 2020 Share Option Incentive Scheme of Red Star Macalline Group Corporation Ltd.			
3	Resolution on proposing the Shareholders' General Meeting to authorize the Board to handle matters in relation to the 2020 Share Option Incentive Scheme			
4	Resolution on the grant of specific mandate to the Board to issue up to 30,850,000 A Shares in order to satisfy the Company's grant of Share Options to the Participants in accordance with the 2020 Share Option Incentive Scheme of Red Star Macalline Group Corporation Ltd.			

(The appointing party shall show instructions to the proxy for each resolution. The specific authorizations are subject to the ticks on corresponding boxes and no tick on all boxes is deemed to abstain from voting.)

Name of the appointing party (signature or seal):

ID number or business license number of the appointing shareholder:

Shareholdings of the appointing shareholder:

Securities account number of the appointing shareholder:

Date of signature:

Validity of the authorization: from the date of signature to the conclusion of the A Shareholders' Class Meeting.

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

Shanghai, the PRC  
26 March 2020

*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, JING Jie and XU Hong; and the independent non-executive Directors are QIAN Shizheng, LEE Kwan Hung, Eddie, WANG Xiao and ZHAO Chongyi.*