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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 EXTENSION OF THE VALIDITY PERIOD OF THE RESOLUTION FOR THE PROPOSED A SHARE OFFERING AND THE AUTHORIZATION TO THE BOARD TO DEAL WITH ALL MATTERS RELATING TO THE PROPOSED A SHARE OFFERING

Reference is made to (i) the announcements of the Company dated 12 February 2016, 19 April 2016, 13 May 2016; and (ii) the circular of the Company dated 12 February 2016 (“**2016 Circular**”) in relation to, among other things, the proposed A Share Offering.

PROPOSED EXTENSION

As the validity period of the Shareholders' approval for the proposed A Share Offering will expire on 19 April 2017, the Board resolved at a meeting of the Board convened on 28 February 2017 to seek the approval of the Shareholders to extend the validity period of the Shareholders' approval for the proposed A Share Offering and the authorization granted to the Board to deal with all matters relating to the proposed A Share Offering for a further period of 12 months commencing from the date of passing the relevant special resolutions at the upcoming EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting.

EGM, DOMESTIC SHAREHOLDERS' CLASS MEETING AND H SHAREHOLDERS' CLASS MEETING

Special resolutions to consider and approve the proposed Extension will be proposed at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting.

CIRCULAR

A circular containing further details regarding the proposed Extension and notices of the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting will be despatched to the Shareholders as soon as practicable.

As the proposed A Share Offering is subject to certain conditions precedent, it may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) regarding the detailed terms of the proposed A Share Offering will be made by the Company as and when applicable. This announcement appears for information purposes only and does not constitute an invitation or an offer to acquire, purchase or subscribe for the securities of the Company.

INTRODUCTION

Reference is made to (i) the announcements of the Company dated 12 February 2016, 19 April 2016, 13 May 2016; and (ii) the circular of the Company dated 12 February 2016 (“**2016 Circular**”) in relation to, among other things, the proposed A Share Offering.

PROPOSED EXTENSION

The resolutions in respect of the proposed A Share Offering were approved by the Shareholders at the 2016 Meetings and the Board was authorized to deal with all matters relating to the proposed A Share Offering. The resolutions are valid for a period of 12 months commencing from 19 April 2016, being the date of the 2016 Meetings and will expire on 19 April 2017. At a meeting of the Board convened on 28 February 2017, the Board resolved to seek the approval of the Shareholders for the proposed extension.

As set out in the announcements of the Company dated 9 May 2016 and 13 May 2016, the proposed A Share Offering is subject to approvals from the CSRC and other relevant authorities of the PRC. After obtaining the CSRC approval, the Company will proceed with the relevant procedures to have its A Shares listed on the Shanghai Stock Exchange. The proposed A Share Offering will be made pursuant to the specific mandate which was sought at and became effective upon the approval by the Shareholders at the 2016 Meetings. The A Share Offering application was filed and accepted by the CSRC in May 2016 and is currently under review processes. As of the Latest Practicable Date, the Company has not received any comments from the CSRC. Upon issuance of comments from the CSRC, the Company will promptly respond to comments and queries by the CSRC. There is no definite timetable as to when the application may be approved by the CSRC and the application process is dependent on the internal processing time of the CSRC. Under current circumstances, the Company anticipates that the proposed A Share Offering will be completed by no later than the end of 2018. The Board considers the proposed Extension necessary in order to continue with the application and has therefore convened a meeting on 28 February 2017 and resolved to seek the Shareholders’ approval of the proposed Extension. The Board may seek the Shareholders’ approval for further extension of the validity period of the resolution for the proposed A Share Offering and the authorization to the Board to deal with all matters relating to the proposed A Share Offering in the future as and when necessary.

The proposed Extension is subject to Shareholders’ approval at the EGM, the Domestic Shareholders’ Class Meeting and the H Shareholders’ Class Meetings.

EGM, DOMESTIC SHAREHOLDERS' CLASS MEETING AND H SHAREHOLDERS' CLASS MEETING

The EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting will be convened on Wednesday, 19 April 2017 at 27/F Red Star World Trade Building, No. 598, Nujiang Road North, Putuo District, Shanghai, PRC.

Special resolutions to consider and approve the proposed Extension will be proposed at the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting.

CIRCULAR

A circular containing further details regarding the proposed Extension and notices of the EGM, Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting will be despatched to the Shareholders as soon as practicable.

As the proposed A Share Offering is subject to certain conditions precedent, it may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) regarding the detailed terms of the proposed A Share Offering will be made by the Company as and when applicable. This announcement appears for information purposes only and does not constitute an invitation or an offer to acquire, purchase or subscribe for the securities of the Company.

DEFINITIONS

“2016 Meetings”	means collectively the 2016 second extraordinary general meeting of the Shareholders, class meeting of the Domestic Shareholders and class meeting of the H Shareholders all held on 19 April 2016
“A Share(s)”	means the ordinary shares(s) proposed to be issued by the Company pursuant to the A Share Offering, with a nominal value of RMB1.00 each, which will be listed on the Shanghai Stock Exchange and traded in RMB
“A Share Offering”	means the Company's proposed initial public offering of not more than 315,000,000 A Shares in the PRC
“Board”	means the board of directors of the Company
“Company”	means Red Star Macalline Group Corporation Ltd., a sino-foreign joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange

“CSRC”	means the China Securities Regulatory Commission
“Director(s)”	means the director(s) of the Company
“Domestic Shareholders’ Class Meeting”	means the class meeting of Domestic Shareholders to be held at 11 a.m. on Wednesday, 19 April 2017, or immediately after the conclusion of the EGM, at 27/F Red Star World Trade Building, No. 598, Nujiang Road North, Putuo District, Shanghai, PRC or any adjournment thereof
“EGM”	means the 2017 first extraordinary general meeting of the Company to be held at 10 a.m. on Wednesday, 19 April 2017 at 27/F Red Star World Trade Building, No. 598, Nujiang Road North, Putuo District, Shanghai, PRC or any adjournment thereof
“Extension”	means extension for a further 12 months commencing from 19 April 2017 of the validity period of the resolution for the proposed A Share Offering and the authorization to the Board to deal with all matters relating to the proposed A Share Offering which were passed by the Shareholders on 19 April 2016
“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 on the Hong Kong Stock Exchange and traded in HKD
“H Shareholder(s)”	means the holder(s) of the H Share(s)
“H Shareholders’ Class Meeting”	means the class meeting of H Shareholders to be held at 12 noon on Wednesday, 19 April 2017, or immediately after the conclusion of the Domestic Shareholders’ Class Meeting, at 27/F Red Star World Trade Building, No. 598, Nujiang Road North, Putuo District, Shanghai, PRC or any adjournment thereof
“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	means 27 February 2017
“PRC”	means the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“RMB” means Renminbi, the lawful currency of the PRC

“Shareholder(s)” means the shareholder(s) of the Company

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

Shanghai, the PRC
28 February 2017

As at the date of this announcement, the executive directors of the Company are CHE Jianxing, ZHANG Qi, 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 LI Zhenning, DING Yuan, LEE Kwan Hung and QIAN Shizheng.