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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)**

## **ANNOUNCEMENT ON PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

References are made to the circular of the annual general meeting (“**AGM**”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) dated 23 April 2018 and the announcement dated 8 June 2018 in relation to the poll results of the AGM.

Shareholders of the Company (“**Shareholders**”) considered and approved the resolutions in relation to the buy-back and cancellation of H Shares and reduction of registered capital of the Company at the AGM convened on 8 June 2018 and agreed to authorize the board of directors of the Company (the “**Board**”) to authorize the operating management of the Company to open overseas share accounts, cancel the buy-back shares, reduce the registered capital of the Company, amend the articles of association of the Company (the “**Articles of Association**”), and correspondingly handle changes of registration, filing and other procedures with the relevant competent authorities

According to relevant authorization of the Shareholders, the Board has made amendments to the Articles of Association in accordance with the specific condition of the buy-back of the H Shares of the Company, and proposed to authorize relevant personnel to handle the changes of industrial and commercial registration, filing and other relevant matters.

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

<b>Serial Number</b>	<b>Original article</b>	<b>Amended article</b>
1.	<p><b>Article 18</b> Before the initial public offering of overseas listed foreign shares of the Company, the Company's share capital is RMB3,080,329,038, the total number of shares is 3,080,329,038, which are all ordinary shares, and the equity structure is:</p> <p>.....</p> <p>As approved by relevant regulatory authorities which are authorised by the State Council, the Company can issue 315,000,000 ordinary shares in total. The equity structure of the Company is as follows: 3,938,917,038 ordinary shares, including 2,876,103,969 onshore-listed domestic shares (A shares), representing 73.02% of the Company's total shares; 1,062,813,069 overseas listed foreign shares (H shares), representing 26.98% of the Company's total shares.</p>	<p><b>Article 18</b> Before the initial public offering of overseas listed foreign shares of the Company, the Company's share capital is RMB3,080,329,038, the total number of shares is 3,080,329,038, which are all ordinary shares, and the equity structure is:</p> <p>.....</p> <p>As approved by relevant regulatory authorities which are authorised by the State Council, the Company can issue 315,000,000 ordinary shares in total. The equity structure of the Company is as follows: 3,938,917,038 ordinary shares, including 2,876,103,969 onshore-listed domestic shares (A shares), representing 73.02% of the Company's total shares; 1,062,813,069 overseas listed foreign shares (H shares), representing 26.98% of the Company's total shares.</p>

Serial Number	Original article	Amended article
		<p><b><u>Upon approval at the 2017 AGM, the A Share Class Meeting and the H Share Class Meeting convened on 8 June 2018 by the Company, the Company bought back 388,917,038 overseas listed foreign shares (H shares). Upon completion of the aforementioned buy-back and share cancellation, the equity structure of the Company is as follows: 3,550,000,000 ordinary shares, including 2,876,103,969 onshore-listed domestic shares (A shares), representing 81.02% of the Company's total shares; 673,896,031 overseas listed foreign shares (H shares), representing 18.98% of the Company's total shares.</u></b></p>
2.	<p><b>Article 22</b> The registered capital of the Company is RMB3,938,917,038.</p>	<p><b>Article 22</b> The registered capital of the Company is <b>RMB3,550,000,000.</b></p>

Save for the aforementioned amendments, other articles in the Articles of Association remain unchanged. The corresponding amendments to the Articles of Association in accordance with the buy-back condition by the Company are not required to submit to the general meeting for consideration.

The amended Articles of Association will be disclosed on the website of the Shanghai Stock Exchange and the website of The Stock Exchange of Hong Kong Limited on the same date.

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

Shanghai, the PRC  
17 August 2018

*At the date of this announcement, the executive directors of the Company are CHE Jianxing, ZHANG Qi, 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.*