

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CHANGE OF AUDITOR

The board of directors (the “**Board**”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) announces that, considering Deloitte Touche Tohmatsu Certified Public Accountants LLP (“**Deloitte**”) has continuously served as the auditor of the Company for more than 10 years, on the recommendation of the audit committee of the Company (the “**Audit Committee**”), the Board has resolved to change the auditor. The Board and the Audit Committee take the view that this change of auditor complies with good corporate governance and will also enhance the independence and objectivity of the auditor.

Based on the aforesaid reason, and as recommended by the Audit Committee, the Board resolved to appoint Ernst & Young Hua Ming LLP as the auditor of the Company for the year 2018 and resolved to appoint Zhongxingcai Guanghua Certified Public Accountants LLP as the internal control consultant of the Company for the year 2018 with a term until the conclusion of the next annual general meeting (the “**Proposed Appointment**”) and proposed the general meeting to authorize the Board or such persons as authorized by the Board (the chairman, general managers or chief financial officer) to determine the audit fees based on industry standards and the actual progress of audit work. The Proposed Appointment is subject to the approval of the shareholders of the Company (the “**Shareholders**”) at the general meeting. The Company will send a supplemental circular to the Shareholders as soon as practicable.

Deloitte has confirmed to the Company that there are no matters that need to be brought to the attention of the Shareholders or creditors as regards the proposed change of auditor, and that there are no disagreements or unresolved matters with the Company.

The Board is not aware of any matter in respect of the proposed change of auditor that is required to be brought to the attention of the Shareholders, and would like to take this opportunity to express its sincere gratitude to Deloitte for their professional services provided to the Company for the past years.

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

Shanghai, the PRC,
11 November 2018

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