
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 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)

PROPOSED CHANGE OF AUDITORS OF THE COMPANY
PROPOSED CHANGE OF THE BUSINESS SCOPE OF THE COMPANY
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF THE 2023 FOURTH EXTRAORDINARY
GENERAL MEETING

A letter from the Board is set out on pages 3 to 8 of this circular. A notice of the EGM of the Company to be held at 11:00 a.m. on Monday, 13 November 2023 at Conference Center, 3/F, South Building, Block B, Red Star Macalline Headquarters, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC, is being despatched to the Shareholders together with this circular.

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. 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.

25 October 2023

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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 as amended, modified or otherwise supplemented from time to time
“Board”	the board of directors of the Company
“China Accounting Standards for Business Enterprises”	the latest Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People’s Republic of China and the related application guidance, interpretations and other related requirements
“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 (stock code: 1528)
“Director(s)”	the director(s) of the Company
“EGM”	the 2023 fourth extraordinary general meeting to be convened and held on Monday, 13 November 2023
“Group”	the Company and its subsidiaries
“H Share(s)”	the 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 and traded in Hong Kong dollars
“H Share Shareholder(s)”	the holder(s) of H Share(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standard

DEFINITIONS

“Latest Practicable Date”	20 October 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, but for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	the A Share Shareholder(s) and the H Share Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

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. SHI Yaofeng
Mr. LI Jianhong
Mr. YANG Yingwu

Registered office in the PRC:

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

Non-executive Directors:

Mr. ZHENG Yongda
Mr. WANG Wenhui
Mr. ZOU Shaorong
Mr. SONG Guangbin
Ms. XU Di

*Principal place of business
in Hong Kong:*

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

Independent non-executive Directors:

Mr. XUE Wei
Mr. HUANG Jianzhong
Mr. CHEN Shanang
Mr. WONG Chi Wai
Mr. CAI Qinghui

25 October 2023

To the Shareholders

Dear Sir or Madam,

**PROPOSED CHANGE OF AUDITORS OF THE COMPANY
PROPOSED CHANGE OF THE BUSINESS SCOPE OF THE COMPANY
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF THE 2023 FOURTH EXTRAORDINARY
GENERAL MEETING**

I. INTRODUCTION

Reference was made to the announcement of the Company dated 20 October 2023 in relation to the proposed change of auditors of the Company, the proposed change of the business scope of the Company and the proposed amendments to the Articles of Association. The resolutions, among other things, of (1) the proposed change of auditors of the Company; (2) the proposed change of the business scope of the Company; and (3) the proposed amendments to the Articles of Association were approved by the Board. The resolution (1) is subject to the approval of the Shareholders at the EGM by way of ordinary resolution. The resolutions (2) and (3) are subject to the approval of the Shareholders at the EGM by way of special resolution.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, the notice of the EGM and the information of the above-mentioned resolutions to be proposed for consideration at the EGM, in order to enable you to make informed decisions on whether to vote for or against the resolutions at the EGM.

II. PROPOSED CHANGE OF AUDITORS OF THE COMPANY

The Company has, after considering situations such as business development needs and audit needs, ceased the appointment with Zhongxingcai Guanghua Certified Public Accountants LLP (“**Zhongxingcai Guanghua**”) and HLB Hodgson Impey Cheng Limited (“**HLB**”) as the auditors of the Company upon the communication and negotiation with them. Zhongxingcai Guanghua and HLB have confirmed that as of the Latest Practicable Date, there are no circumstances connected with their terminations which they consider should be brought to the attention of the Shareholders or creditors of the Company in relation to the change of auditors of the Company. The Board has also confirmed that there is no disagreement or unresolved matter between the Company and Zhongxingcai Guanghua or HLB and, to the best knowledge of the Board, there are no other matters relating to the change of auditors of the Company that need to be brought to the attention of the Shareholders.

As proposed by the audit committee of the Company, the Company proposes to appoint RSM China (“**RSM**”) as the China Accounting Standards auditor and internal control auditor of the Company for the year 2023. The fees for its financial auditing for the year 2023 amounted to RMB5.00 million (tax exclusive), and the fees for internal control audit for the year 2023 amounted to RMB1.30 million (tax exclusive). The Company proposes to appoint CL Partners CPA Limited (“**CL Partners**”) as the International Accounting Standards auditor of the Company for the year 2023, the fees for its auditing of the audited report under the IFRS for the year 2023 amounted to RMB1.50 million (tax exclusive). The term of office of RSM and CL Partners will commence from the date of which the relevant resolution is approved by the Shareholders at the EGM until the conclusion of the next annual general meeting of the Company.

As required by the Shanghai Stock Exchange and Stock Exchange, the Company will adopt the Chinese Accounting Standards for Business Enterprises and the IFRS to prepare its financial reports, and to adopt the Chinese Accounting Standards for Business Enterprises and the IFRS for the disclosure of financial statements in the A-share market and H-share market respectively.

The proposed change of auditors of the Company, as an ordinary resolution, is subject to the approval of the Shareholders at the EGM.

LETTER FROM THE BOARD

III. PROPOSED CHANGE OF THE BUSINESS SCOPE OF THE COMPANY

Due to the Company's needs for development, the Company proposes to change its original business scope from "Providing the invested enterprises with management service, enterprise management consulting and product information consulting; providing the home furnishing business stores with design planning and management services, wholesale of furniture, building materials (steel exclusive) and decoration materials, and relevant supporting services; exhibition and display services. (products involving quota license or special management provisions shall be subject to relevant state regulations) (with license if required). [Business subject to approval by law shall be conducted upon approval by competent authorities]" into "Providing the invested enterprises with management service, enterprise management consulting and product information consulting; providing the home furnishing business stores with design planning and management services, wholesale of furniture, building materials (steel exclusive) and decoration materials, and relevant supporting services; exhibition and display services; **import and export of goods; import and export of technology**. (products involving quota license or special management provisions shall be subject to relevant state regulations) (~~with license if required~~). [Business subject to approval by law shall be conducted upon approval by competent authorities]."

The above business scope after amendments is subject to final approval by and registration with the industrial and commercial administration authority.

The proposed change of the business scope of the Company, as a special resolution, is subject to the approval of the Shareholders at the EGM.

LETTER FROM THE BOARD

IV. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Due to the Company's needs for development, the Company proposes to expand its business scope, the amendments to the terms of the Articles of Association are as follows:

Serial Number	Original Article	Amended Article
1.	<p>Article 13 The business scope of the Company shall be as approved by the company examination and approval authority and industrial and commercial administration authority.</p> <p>The business scope of the Company is: Providing the invested enterprises with management service, enterprise management consulting and product information consulting; providing the home furnishing business stores with design planning and management services, wholesale of furniture, building materials (steel exclusive) and decoration materials, and relevant supporting services; exhibition and display services. (products involving quota license or special management provisions shall be subject to relevant state regulations) (with license if required).</p>	<p>Article 13 The business scope of the Company shall be as approved by the company examination and approval authority and industrial and commercial administration authority.</p> <p>The business scope of the Company is: Providing the invested enterprises with management service, enterprise management consulting and product information consulting; providing the home furnishing business stores with design planning and management services, wholesale of furniture, building materials (steel exclusive) and decoration materials, and relevant supporting services; exhibition and display services; <u>import and export of goods; import and export of technology</u>. (products involving quota license or special management provisions shall be subject to relevant state regulations) (with license if required). [Business subject to approval by law shall be conducted upon approval by competent authorities]</p>

The above addition to the business scope of the Company is subject to final approval by the industrial and commercial administration authority. Save for the above amendments, other provisions of the Articles of Association will remain unchanged. The proposed amendments to the Articles of Association are subject to approval of the Shareholders at the EGM, and it is proposed at the EGM to authorize the Board and the Board then authorizes the operating management to handle relevant formalities for changes in industrial and commercial registration in respect of the amendments to the Articles of Association.

The proposed amendments to the Articles of Association, as a special resolution, is subject to the approval of the Shareholders at the EGM.

LETTER FROM THE BOARD

V. THE 2023 FOURTH EXTRAORDINARY GENERAL MEETING

The notice of the EGM to be held at 11:00 a.m. on Monday, 13 November 2023 at Conference Center, 3/F, South Building, Block B, Red Star Macalline Headquarters, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC, is set out on pages 9 to 10 of this circular.

The proxy form for the EGM is also enclosed herein and published on the website of the Stock Exchange (www.hkexnews.com.hk). The Shareholders who intend to appoint (a) proxy/proxies 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 notarially certified 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.

Pursuant to the Articles of Association, for the purpose of holding the EGM, the register of members of H Shares will be closed from Wednesday, 8 November 2023 to Monday, 13 November 2023 (both days inclusive), during this period no transfer of H Shares will be registered. H Share Shareholders whose names appear on the register of members of the Company on Wednesday, 8 November 2023 are entitled to attend and vote at the EGM.

In order to ascertain the entitlements to attend and vote at the EGM, H Share Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare Hong Kong Investor Services Limited, the Company's H Share Registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 7 November 2023 for registration.

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.

LETTER FROM THE BOARD

VI. RECOMMENDATION

The Directors consider that all resolutions as set out in the notice of the EGM for the Shareholders to consider and approve are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of all resolutions to be proposed at the EGM.

By order of the Board

Red Star Macalline Group Corporation Ltd.

QIU Zhe

Secretary of the Board and Joint Company Secretary

NOTICE OF THE 2023 FOURTH 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 2023 FOURTH EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 fourth extraordinary general meeting (the “EGM”) of Red Star Macalline Group Corporation Ltd. (the “Company”) will be held at 11:00 a.m. on Monday, 13 November 2023 at Conference Center, 3/F, South Building, Block B, Red Star Macalline Headquarters, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC for the purpose of considering, and if thought fit, passing the following resolutions:

ORDINARY RESOLUTION

1. To consider and approve the resolution on the proposed change of auditors of the Company

SPECIAL RESOLUTIONS

2. To consider and approve the resolution on the proposed change of the business scope of the Company
3. To consider and approve the resolution on the proposed amendments to the Articles of Association

By order of the Board

Red Star Macalline Group Corporation Ltd.

QIU Zhe

Secretary of the Board and Joint Company Secretary

Shanghai, the PRC
25 October 2023

NOTICE OF THE 2023 FOURTH EXTRAORDINARY GENERAL MEETING

Notes:

1. Unless the context otherwise stated, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 25 October 2023.
2. For the purpose of holding the EGM, the register of members of the Company will be closed from Wednesday, 8 November 2023 to Monday, 13 November 2023 (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 Tuesday, 7 November 2023 for registration.

The Shareholders whose names appear on the register of members of the Company on Wednesday, 8 November 2023 are entitled to attend and vote at the EGM.
3. The 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 to be a Shareholder of the Company.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorized 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 authorized to sign the same on its behalf.
5. 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 the 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 of the Company from attending the voting in person at the EGM or any adjourned meetings should they so wish.
6. 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 authorized representative to attend the EGM, the authorized representative shall produce his/her identification documents and a notarized copy of the relevant authorization instrument signed by the board of directors or other authorized 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.
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.