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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)

COMPLETION OF THE ISSUE OF THE SECOND TRANCHE CORPORATE BONDS

Reference is made to the announcements of the Company dated 8 July 2016 and 12 July 2016 in relation to the proposed issue of the Second Tranche Corporate Bonds and the coupon rate for the issue of the Second Tranche Corporate Bonds. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as used in the aforesaid announcements.

The Board is pleased to announce that, the issue of the Second Tranche Corporate Bonds was completed on 14 July 2016. The maturity of the Category I Bonds and Category II Bonds in the Second Tranche Corporate Bonds shall be 5 years and 7 years, respectively, with the Company's option to adjust the coupon rates of the Category I Bonds and Category II Bonds in the Second Tranche Corporate Bonds at the end of the first three-year period and at the end of the first five-year period, respectively. The holders of the Second Tranche Corporate Bonds also have a right to put all or part of the Second Tranche Corporate Bonds back to the Company at its principal value in accordance with the terms of the Second Tranche Corporate Bonds. Issue size of the Second Tranche Corporate Bonds is RMB3,000,000,000, with the coupon rates of Category I Bonds and Category II Bonds at 3.50% and 4.29%, respectively, and issue price at 100% of the principal value of the Second Tranche Corporate Bonds.

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

Shanghai, the PRC
15 July 2016

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, ZHANG Qiqi; and the independent non-executive Directors are LI Zhenning, DING Yuan, LEE Kwan Hung and QIAN Shizheng.