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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)

**VOLUNTARY CONDITIONAL CASH OFFER BY
CHINA INTERNATIONAL CAPITAL CORPORATION
HONG KONG SECURITIES LIMITED
ON BEHALF OF
RED STAR MACALLINE GROUP CORPORATION LTD.
TO BUY-BACK UP TO 388,917,038 H SHARES
AT A PRICE OF HK\$11.78 PER H SHARE**

DESPATCH OF OFFER DOCUMENT

Financial adviser to the Company



Independent Financial Adviser to the Independent Board Committee



The Offer Document issued by the Company, together with the accompanying Form of Acceptance, notices of the AGM and the H Share Class Meeting and forms of proxy for the AGM and the H Share Class Meeting, will be despatched by the Company to Shareholders on 24 April 2018.

Shareholders are advised to read the Offer Document carefully, including the advice of the Independent Board Committee and the advice of Halcyon to the Independent Board Committee in respect of the Offer, before deciding whether or not to accept the Offer or to approve the special resolution to be proposed at the AGM and the Class Meetings approving the Offer.

References are made to the announcement of the Company dated 5 April 2018 (the “**Announcement**”) and the offer document of the Company dated 24 April 2018 (the “**Offer Document**”) in relation to the Offer.

Capitalised terms used herein shall have the same meanings as those defined in the Offer Document unless the context requires otherwise.

On 5 April 2018, the Board announced that a voluntary conditional cash offer would be made by CICC on behalf of the Company in compliance with the Share Buy-backs Code, subject to fulfillment (or waiver, as applicable) of the Conditions, to buy-back for cancellation up to 388,917,038 H Shares (representing approximately 9.87% of the total issued share capital of the Company and approximately 36.59% of the H Share capital of the Company as at the Latest Practicable Date), at the price of HK\$11.78 per H Share.

Pursuant to rule 8.2 of the Takeovers Code, unless the Executive’s prior consent is obtained, the Offer Document is required to be despatched to Shareholders within 21 days of the Announcement, which is on or before 26 April 2018.

For practical and administrative reasons, the Company, instead of holding an extraordinary general meeting on 8 June 2018 in connection with the Offer as originally disclosed in the Announcement, will arrange for the Special Resolution relating to the Offer to be considered and approved at the AGM to be held on 8 June 2018.

DESPATCH OF THE OFFER DOCUMENT

The Offer Document containing, among other things, a letter from the Board, a letter from CICC, a letter from the Independent Board Committee and a letter from Halcyon, the independent financial adviser to the Independent Board Committee in respect of the Offer, together with the accompanying Form of Acceptance, notices of the AGM and the H Share Class Meeting and forms of proxy for the AGM and the H Share Class Meeting, will be despatched to Shareholders on 24 April 2018.

Shareholders are advised to read the Offer Document carefully, including the advice of the Independent Board Committee and the advice of Halcyon in respect of the Offer, before deciding whether or not to accept the Offer or to approve the special resolution to be proposed at the AGM and the Class Meetings approving the Offer.

EXPECTED TIMETABLE

The Offer Period commenced on 5 April 2018 and the expected latest time and date for acceptance of the Offer is at 4:00 p.m. on 6 July 2018.

The timetable set out below may be subject to change. It does not form part of the terms of the Offer and any changes thereto will be announced by the Company.

Offer Period begins	Thursday, 5 April 2018
Despatch of this Offer Document	Tuesday, 24 April 2018
Latest time to lodge form(s) of proxy for the AGM and/or the Class Meetings	1:00 p.m. on Thursday, 7 June 2018
AGM and Class Meetings	1:00 p.m. on Friday, 8 June 2018
Announcement of the results of the AGM and the Class Meetings and whether the Offer has become unconditional or lapse.	Friday, 8 June 2018
Latest time to lodge the Form of Acceptance (<i>Note 2</i>).	4:00 p.m. on Friday, 6 July 2018
Record Date (<i>Note 2</i>)	Friday, 6 July 2018
Final Closing Date (<i>Note 2</i>)	Friday, 6 July 2018
Announcement of the results of the Offer	No later than 7:00 p.m. on Friday, 6 July 2018
Latest date for despatch of cheques to the accepting Qualifying Shareholders and (if applicable) despatch of H Share certificate for those H Shares tendered but not bought-back under the Offer (<i>Note 3</i>)	Tuesday, 17 July 2018

Notes:

1. The above timetable assumes that the Offer is approved by the Shareholders at the AGM and/or the Class Meeting(s) and the Conditions are satisfied (or waived, as applicable) resulting in the Offer becoming unconditional on 8 June 2018.
2. Assuming that the Offer is approved by the Shareholders at the AGM and the Class Meetings and the Offer becomes unconditional, the Offer will remain open for acceptance for a period of 28 days thereafter and will not be extended.
3. Remittances for the total amounts due to the accepting Qualifying Shareholders under the Offer (subject to deduction of seller's ad valorem stamp duty payable on the H Shares bought-back from such accepting Qualifying Shareholders) are required be made by the Company within 7 business days of the close of the Offer.
4. All references to date and time contained in this Offer Document refer to Hong Kong time.

WARNING

The Offer is conditional upon, among other things, the passing of the Special Resolutions by the Shareholders to approve the Offer at the AGM and the Class Meetings by way of poll. If the Offer is not approved by the Shareholders at the AGM and the Class Meetings, the Offer will lapse.

Dealings in the H Shares will continue even in the event the Offer has not yet become unconditional. During such period, persons dealing in the H Shares will bear the risk that the Offer may lapse.

H Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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

Shanghai, People's Republic of China
24 April 2018

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 of the Company are CHEN Shuhong, XU Guofeng, Joseph Raymond GAGNON, ZHANG Qiqi; and the independent non-executive directors of the Company are LI Zhenning, DING Yuan, LEE Kwan Hung and QIAN Shizheng.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.