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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)

CONNECTED TRANSACTIONS —

- (1) THE EQUITY TRANSFER FRAMEWORK AGREEMENT**
- (2) THE ASSET TRANSFER FRAMEWORK AGREEMENT**
- (3) THE REPURCHASE AGREEMENT**

The Company announces that it entered into the following connected transactions:

(1) THE EQUITY TRANSFER FRAMEWORK AGREEMENT

On 23 October 2015, the Company entered into the Equity Transfer Framework Agreement with RSED pursuant to which RSED has agreed to transfer and the Company has agreed to acquire 100% equity interests in the Target Company.

In connection with the equity transfer, the Target Company shall complete a restructuring, upon the completion of which the Target Company will only hold equity interests in the Project Companies. If the Target Company fails to acquire the relevant equity interest in any of the Project Companies upon completion of the restructuring, the Company can exercise an option to purchase such equity interest in the relevant Project Company.

The aggregated amount of consideration in relation to the acquisition of the Target Company and/or the equity interests of all the Project Companies (by way of exercise of the option) shall not exceed RMB211,030,200. In addition, the Company shall assume the debts owed by the Target Company to RSED in a maximum amount of RMB270,000,000.

(2) THE ASSET TRANSFER FRAMEWORK AGREEMENT

On 23 October 2015, the Company entered into the Asset Transfer Framework Agreement with RSED pursuant to which RSED has agreed to transfer and the Company has agreed to acquire 60% of the interests in the Suzhou Kairun Home Furnishing Shopping Mall Assets for a consideration of not more than RMB282,440,000.

(3) THE REPURCHASE AGREEMENT

On 23 October 2015, the Company entered into the Repurchase Agreement with Chengdu Property pursuant to which Chengdu Property has agreed to sell and the Company has agreed to repurchase 50% of the interests in the Greenland Jinniu Home Furnishing Shopping Mall Assets for a consideration of not more than RMB495,410,000.

LISTING RULES IMPLICATIONS

(a) RSED

RSED is held as to 70.15% by RSI, a controlling shareholder of the Company. In addition, RSI is a company controlled by Mr. Che, a controlling shareholder and an executive Director of the Company. As a result, RSED is a connected person of the Company and the transactions under the Equity Transfer Framework Agreement and the Asset Transfer Framework Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

(b) Chengdu Property

Chengdu Property is an indirect wholly-owned subsidiary of RSED which is a connected person of the Company referred to in (a) above. As a result, Chengdu Property is a connected person of the Company. As Chengdu Property holds 50% equity interests in Greenland Jinniu, Greenland Jinniu is also a connected person of the Company. The transaction under the Repurchase Agreement therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the transactions under the Equity Transfer Framework Agreement, the Asset Transfer Framework Agreement and the Repurchase Agreement (in aggregate) are more than 0.1% but less than 5%, the transactions under the Equity Transfer Framework Agreement, the Asset Transfer Framework Agreement and the Repurchase Agreement are subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Company announces that on 23 October 2015, the Company entered into the Equity Transfer Framework Agreement, the Asset Transfer Framework Agreement and the Repurchase Agreement. The principal terms and conditions of each agreement are as follows:

1. THE EQUITY TRANSFER FRAMEWORK AGREEMENT

Date: 23 October 2015

Transferor: RSED

Transferee: the Company

Target: 100% equity interests in the Target Company

Restructuring: In connection with the equity transfer, the Target Company shall complete a restructuring, upon the completion of which the Target Company will only hold equity interests in the Project Companies (“**Restructuring**”).

If the Target Company fails to acquire the relevant equity interest in any of the Project Companies upon completion of the Restructuring, the Company can exercise an option to purchase such equity interest in the relevant Project Company (the “**Option**”). RSED should unconditionally facilitate such acquisition until the completion of the equity transfer of all the Project Companies.

Consideration and Payment Terms: The aggregated amount of consideration in relation to the acquisition of the Target Company and/or the equity interests of all the Project Companies (by way of exercise of the Option) shall not exceed RMB211,030,200. Subject to the status of the Restructuring and the decision made by the Company as to whether to exercise the Option, the final amount of consideration for acquisition of the Target Company will be determined and set out in the definitive equity transfer agreement.

In addition to the consideration, the Company shall assume the debts owed by the Target Company to RSED in a maximum amount of RMB270,000,000.

The consideration shall be paid in cash in two installments as follows:

- i. RMB63,309,060 (being 30% of the total consideration) shall be payable within ten days after the execution of a definitive equity transfer agreement to be entered into by the Company and RSED after completion of the Restructuring; and

- ii. RMB147,721,140 (being 70% of the total consideration) shall be payable within ten days after the completion of the equity transfer.

Such consideration is determined after arm's length negotiations with reference to a valuation of RMB233,688,870 for the equity interests of the Target Company as at 31 August 2015 undertaken by a qualified valuer who is an Independent Third Party.

In the event that the Company exercises the Option, both parties shall negotiate to reach an agreement on the final amount of consideration and debt payable by the Company and the relevant payment schedule in connection with the acquisition of the Target Company.

To the best knowledge of the Directors, the original acquisition cost of all the equity interests in the Target Company as paid by RSED was approximately RMB100,000,000.

For the year ended 31 December 2013, the Target Company recorded a net profit before taxation of approximately RMB3,277 and a net loss after taxation of approximately RMB1,416. For the year ended 31 December 2014, the Target Company recorded a net profit before taxation of approximately RMB499,765 and a net loss after taxation of approximately RMB30,359.

Completion of the Equity Transfer

Unless the Company exercises the Option, both parties will enter into a definitive equity transfer agreement in connection with the transfer of the Target Company within ten days after the completion of the Restructuring. Within 30 days from the execution of the definitive equity transfer agreement, both parties shall cooperate to submit the relevant documents to the competent administration for industry and commerce for registration and obtain a new business license for the Target Company.

2. THE ASSET TRANSFER FRAMEWORK AGREEMENT

Date:	23 October 2015
Transferor:	RSED
Transferee:	the Company
Target:	60% of the interests in the Suzhou Kairun Home Furnishing Shopping Mall Assets held by RSED (through Suzhou Kairun)

Transaction Structure: The transfer of the relevant interests in the Suzhou Kairun Home Furnishing Shopping Mall Assets shall be conducted in one or a combination of the following structures:

- i. upon satisfaction of certain conditions, Suzhou Kairun (which currently owns certain real estate assets as well as the Suzhou Kairun Home Furnishing Shopping Mall Assets) shall, and RSED shall procure Suzhou Kairun to apply to the relevant government authorities for a corporate demerger, upon which the real estate assets will remain in Suzhou Kairun, being the surviving company, whilst the Suzhou Kairun Home Furnishing Shopping Mall Assets will be transferred to and held by a newly established project company.

With the establishment of the new project company, RSED shall procure Suzhou Kairun and such project company to undergo the name change procedures for all the relevant licenses and certificates relating to the Suzhou Kairun Home Furnishing Shopping Mall Assets. Upon completion of the aforesaid procedures, RSED should enter into an equity transfer agreement with the Company or its designated entity in connection with the transfer of 60% equity interests in the new project company held by RSED; and

- ii. if in the future Suzhou Kairun only holds the Suzhou Kairun Home Furnishing Shopping Mall Assets, the Company has an option to directly purchase the 60% equity interests of Suzhou Kairun from RSED; or if in the future, the Suzhou Kairun Home Furnishing Shopping Mall Assets meet the transferability conditions, the Company has an option to enter into an asset transfer agreement with Suzhou Kairun to acquire 60% interests of the Suzhou Kairun Home Furnishing Shopping Mall Assets.

RSED shall enter into a definitive assets transfer agreement with the Company to set out the final transaction structure in relation to the transfer of the relevant interests in the Suzhou Kairun Home Furnishing Shopping Mall Assets.

Consideration and Payment Terms

The consideration for the transfer of 60% interests in the Suzhou Kairun Home Furnishing Shopping Mall Assets shall not exceed RMB282,440,000 and shall be paid in cash in two installments as follows:

- i. RMB225,960,000 shall be payable within ten business days after the execution of the Asset Transfer Framework Agreement; and

- ii. RMB56,480,000 shall be payable within ten business days after the completion of the name change procedures for all the relevant licenses or certificates relating to the Suzhou Kairun Home Furnishing Shopping Mall Assets to be held by the new project company.

Such consideration is determined after arm's length negotiations with reference to a valuation of RMB470,740,000 for 100% interests of the Suzhou Kairun Home Furnishing Shopping Mall Assets as at 31 August 2015 undertaken by a qualified valuer who is an Independent Third Party.

To the best knowledge of the Directors, the original acquisition cost of the Suzhou Kairun Home Furnishing Shopping Mall Assets as paid by RSED was approximately RMB298,160,000.

There is no profit attributable to Suzhou Kairun Home Furnishing Shopping Mall Assets as it has not commenced operations. For the year ended 31 December 2013, Suzhou Kairun recorded a net loss (both before and after taxation) of approximately RMB425,376. For the year ended 31 December 2014, Suzhou Kairun recorded a net loss (both before and after taxation) of approximately RMB39,728,509.

3. THE REPURCHASE AGREEMENT

- Date:** 23 October 2015
- Transferor:** Chengdu Property
- Transferee:** the Company
- Target:** 50% of the interests in the Greenland Jinniu Home Furnishing Shopping Mall Assets held by Chengdu Property (through Greenland Jinniu)
- Transaction Structure:** The repurchase of the relevant interests in the Greenland Jinniu Home Furnishing Shopping Mall Assets shall be conducted in one or a combination of the following structures:
- i. upon satisfaction of certain conditions, Chengdu Property shall procure Greenland Jinniu to establish a new project company by way of making capital contribution with the Greenland Jinniu Home Furnishing Shopping Mall Assets. With the establishment of such new project company, the Company and Greenland Jinniu shall enter into an equity transfer agreement pursuant to which the Company shall acquire 50% of the equity interests in such new project company from Greenland Jinniu;

- ii. upon satisfaction of certain conditions, Chengdu Property shall procure Greenland Jinniu (which currently owns certain real estate assets as well as the Greenland Jinniu Home Furnishing Shopping Mall Assets) to apply to the relevant government authorities for a corporate demerger, upon which the real estate assets will remain in Greenland Jinniu, being the surviving company, whilst the Greenland Jinniu Home Furnishing Shopping Mall Assets will be transferred to and held by a newly established project company.

With the establishment of such new project company and completion of the registration procedures for all the Greenland Jinniu Home Furnishing Shopping Mall Assets from Greenland Jinniu to such new project company, Chengdu Property shall enter into an equity transfer agreement with the Company in connection with the transfer of 50% equity interest in the new project company held by Chengdu Property to the Company; and

- iii. if in the future Greenland Jinniu only holds the Greenland Jinniu Home Furnishing Shopping Mall Assets, the Company has an option to directly purchase the 50% equity interests of Greenland Jinniu held by Chengdu Property; or if in the future, the Greenland Jinniu Home Furnishing Shopping Mall Assets meet the transferability conditions, the Company has an option to enter into an asset transfer agreement with Greenland Jinniu to acquire 50% interests of the Greenland Jinniu Home Furnishing Shopping Mall Assets.

A definitive repurchase agreement will be entered into between the Company and Chengdu Property to set out the final transaction structure in relation to the transfer of the relevant interests in the Greenland Jinniu Home Furnishing Shopping Mall Assets.

**Consideration and
Payment Terms:**

The consideration for the repurchase of 50% interests in the Greenland Jinniu Home Furnishing Shopping Mall Assets shall not exceed RMB495,410,000, 50% of which shall be paid in cash within ten days after the execution of the Repurchase Agreement whereas the remaining 50% shall be paid in cash within 10 days after Chengdu Property assists the Company to obtain control of the board of directors of Greenland Jinniu Home Furnishing Shopping Mall Assets

The consideration is determined after arm's length negotiations with reference to (i) the land acquisition costs and construction costs of the Greenland Jinniu Home Furnishing Shopping Mall Assets and the equity interests held by Chengdu Property in Greenland Jinniu and (ii) a valuation of RMB991,590,000 for 100% interests of the Greenland Jinniu Home Furnishing Shopping Mall Assets as at 31 August 2015 undertaken by a qualified valuer who is an Independent Third Party.

To the best knowledge of the Directors, the original acquisition cost of the Greenland Jinniu Home Furnishing Shopping Mall Assets as paid by Chengdu Property was approximately RMB990,820,000.

To the best knowledge of the Directors, the net profits before and after taxation attributable to the Greenland Jinniu Home Furnishing Shopping Mall Assets were approximately RMB183,100,000 and 155,635,000 for the year ended 31 December 2014. There was no profit attributable to Greenland Jinniu Home Furnishing Shopping Mall Assets for the year ended 31 December 2013, as it only commenced operations in August 2014.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS

(a) The Equity Transfer Framework Agreement

As disclosed in the section headed “*Relationship with our Controlling Shareholders*” of the Prospectus, Mr. Che, through RSED and its subsidiaries, held minority interests of 10% or more in 19 project companies holding certain shopping malls managed by the Group under contract management agreements, as well as minority interests of less than 10% in certain other project companies. As at the date of this announcement, RSED and its subsidiaries are interested in a total number of 64 Project Companies holding shopping malls managed by the Group under contract management agreements.

The Directors understand from RSED that it is contemplating a corporate restructuring for financing purposes, as a result of which RSED is exploring opportunities to divest its interests in the Project Companies. In order to streamline the ownership structure and business management of the Project Companies, the Company plans to acquire all the interests in the Project Companies held by RSED and its subsidiaries through the acquisition of the Target Company upon completion of the Restructuring and/or the equity interests of the relevant Project Companies (by way of exercise of the Option) as contemplated under the Equity Transfer Framework Agreement. By owning the relevant equity interests in the Project Companies, the Directors believe that it will assist the Group to better manage the relevant shopping malls under its contract management agreements, and will provide a solid basis for the long-term development of such managed shopping malls. The Directors also consider that the transaction under the Equity Transfer Framework Agreement will assist the Group to eliminate continuing connected transactions, and minimize potential competition and conflict of interests, with RSED in respect of the Project Companies going forward.

(b) The Asset Transfer Framework Agreement

Suzhou Kairun Home Furnishing Shopping Mall Assets is a commercial property located in Suzhou, Jiangsu Province, the PRC. The Group plans to construct and operate a home improvement and furnishings shopping mall on the site of the Suzhou Kairun Home Furnishing Shopping Mall Assets. The Asset Transfer Framework Agreement provides an opportunity for the Group to establish its first self-owned shopping mall in Suzhou. The Directors are of the view that this will assist the Group to further consolidate its leading position in East China and will be beneficial to the long-term development of the Group's core business of operating and managing home improvement and furnishings shopping malls.

(c) The Repurchase Agreement

As disclosed in the section headed "*History and Development*" of the Prospectus, the Group disposed of all of its equity interests in certain companies engaging in real estate development business to RSI and its designated subsidiaries in 2011, which included Greenland Jinniu. In order to consolidate the Group's core operations and minimize potential competition and conflict of interests with its controlling shareholders, the Company entered into a repurchase framework agreement on 15 December 2011 (as supplemented by two supplemental agreements dated 18 December 2011 and 31 October 2012), under which the Company was granted options to repurchase, among others, the Greenland Jinniu Home Furnishing Shopping Mall Assets.

As Greenland Jinniu Home Furnishing Shopping Mall Assets has commenced operations for more than one year since August 2014, the Directors are of the view that its business operations have reached a mature stage which provides an excellent opportunity for the Company to exercise the option to repurchase Greenland Jinniu Home Furnishing Shopping Mall Assets. Such repurchase will allow the Group to increase its market share in Chengdu and to consolidate its leading position in the Chengdu market.

Following completion of the transaction under the Repurchase Agreement, it is expected that although Greenland Chengdu will continue to hold 50% of Greenland Jinniu Home Furnishing Shopping Mall Assets, the financial results of Greenland Jinniu Home Furnishing Shopping Mall Assets will be consolidated into the Company's accounts, as the Company will control the board of directors of Greenland Jinniu Home Furnishing Shopping Mall Assets.

Separately, as disclosed in the section headed "*Connected Transactions*" of the Prospectus, the Company entered into a contract management agreement on 26 November 2013 (as supplemented by a supplemental agreement dated 16 October 2014) with Greenland Jinniu, pursuant to which the Company operates and manages Greenland Jinniu Home Furnishing Shopping Mall Assets under its brand name. Pursuant to the terms of the contract management agreement, such agreement will only be valid until the corporate demerger of Greenland Jinniu and the repurchase by the Company of Greenland Jinniu Home Furnishing Shopping Mall Assets. In any event, the Company will terminate such contract management agreement following the repurchase of the relevant interests in Greenland Jinniu Home Furnishing Shopping Mall Assets.

The Directors (including the independent non-executive Directors) consider that the terms of each of the Equity Transfer Framework Agreement, the Asset Transfer Framework Agreement and the Repurchase Agreement are on normal commercial terms that are fair and reasonable, and the transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Group and are in the interest of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

(a) The Group

The Group is a leading home improvement and furnishings shopping mall operator in China. As at 30 June 2015, the Group operated a total of 163 shopping malls with a nationwide coverage across 120 cities in 27 provinces, autonomous regions and municipalities.

The Group's shopping malls are an attractive third-party platform, connecting brands and customers, catering to changing customer needs through tailored product and service offerings, and providing a superior one-stop shopping experience. The Group has also expanded into other home improvement and furnishings services, including home design, consumer financing and pre-paid cards, delivery and logistics, and bulk procurement.

(b) RSED

RSED is a company incorporated in the PRC, which is held as to 70.15% by RSI. RSED is primarily engaged in real estate development, operation and management of department stores and construction and management of multipurpose complex.

(d) Suzhou Kairun

Suzhou Kairun is a company incorporated in the PRC, which is held as to 60% by RSED and 40% by Suzhou Mudu Group Company Limited* (蘇州市木瀆集團有限公司), an Independent Third Party. As at the date of this announcement, Suzhou Kairun holds the relevant assets for both real estate business and home improvement and furnishings shopping mall business and is primarily engaged in property development.

(e) Chengdu Property

Chengdu Property is a company incorporated in the PRC, which is indirectly wholly owned by RSED. Chengdu Property is primarily engaged in property development and investment management.

(f) Greenland Jinniu

Greenland Jinniu is a company incorporated in the PRC, which is indirectly held as to 50% by Chengdu Property and 50% by Greenland Chengdu. Greenland Jinniu is primarily engaged in real estate development and leasing of shopping mall spaces. As at the date of this announcement, Greenland Jinniu holds the relevant assets for both real estate business and home improvement and furnishings shopping mall business.

LISTING RULES IMPLICATIONS

(a) RSED

RSED is held as to 70.15% by RSI, a controlling shareholder of the Company. In addition, RSI is a company controlled by Mr. Che, a controlling shareholder and an executive Director of the Company. As a result, RSED is a connected person of the Company and the transactions under the Equity Transfer Framework Agreement and the Asset Transfer Framework Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

(b) Chengdu Property

Chengdu Property is an indirect wholly-owned subsidiary of RSED which is a connected person of the Company referred to in (a) above. As a result, Chengdu Property is a connected person of the Company. As Chengdu Property holds 50% equity interests in Greenland Jinniu, Greenland Jinniu is also a connected person of the Company. The transaction under the Repurchase Agreement therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the transactions under the Equity Transfer Framework Agreement, the Asset Transfer Framework Agreement and the Repurchase Agreement (in aggregate) are more than 0.1% but less than 5%, the transactions under the Equity Transfer Framework Agreement, the Asset Transfer Framework Agreement and the Repurchase Agreement are subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Target Company will complete the Restructuring to hold equity interests in the Project Companies pursuant to the Equity Transfer Framework Agreement. In the event that any of the applicable percentage ratios in respect of the transaction under the Equity Transfer Framework Agreement exceeds 5% due to the effect of Restructuring, the Company will re-comply with the applicable reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules before completing the Equity Transfer Framework Agreement.

Mr. Che, Ms. Che Jianfang, Mr. Xu Guofeng, Ms. Chen Shuhong, Mr. Jiang Xiaozhong, Mr. Joseph Raymond Gagnon and Mr. Zhang Qiqi have abstained from voting on the board resolution to approve the Equity Transfer Framework Agreement, the Asset Transfer Framework Agreement and the Repurchase Agreement in view of their interests in the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interests in the transactions.

DEFINITIONS

“Asset Transfer Framework Agreement”	the asset transfer framework agreement dated 23 October 2015 entered into between the Company and RSED
“Chengdu Property”	Chengdu Red Star Macalline Real Estate Co., Ltd.* (成都紅星美凱龍置業有限公司), a limited liability company established in the PRC which is indirectly wholly owned by RSED
“Company”	Red Star Macalline Group Corporation Ltd. a company incorporated in the PRC, the H shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company
“Equity Transfer Framework Agreement”	the equity transfer framework agreement dated 23 October 2015 entered into between the Company and RSED in respect of the transfer of all the equity interests in the Target Company from RSED to the Company
“Greenland Chengdu”	Greenland Group Chengdu Property Co., Ltd.* (綠地集團成都置業有限公司), which is an Independent Third Party and a wholly owned subsidiary of Greenland Holding Group Company Limited, a state-owned property development company in the PRC
“Greenland Jinniu”	Greenland Group Chengdu Jinniu Real Estate Development Co., Ltd.* (綠地集團成都金牛房地產開發有限公司), a limited liability company established in the PRC, which is indirectly held as to 50% by Chengdu Property and 50% by Greenland Chengdu
“Greenland Jinniu Home Furnishing Shopping Mall Assets”	the property for operating home improvement and furnishings shopping mall business held by Greenland Jinniu, i.e., Chengdu Jinniu Mall
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	persons who, as far as the Directors are aware after having made all reasonable enquiries, are not connected persons of the Company within the meanings of the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Che”	Mr. Che Jianxing, a controlling shareholder and an executive Director of the Company;
“PRC”	the People’s Republic of China
“Project Companies”	64 project companies holding certain managed shopping mall companies, and each of them a “Project Company”
“Prospectus”	the prospectus of the Company dated 16 June 2015
“Repurchase Agreement”	the repurchase agreement dated 23 October 2015 entered into between the Company and Chengdu Property in respect of the repurchase of Greenland Jinniu Home Furnishing Shopping Mall Assets by the Company from Chengdu Property
“RMB”	Renminbi, the lawful currency of the PRC
“RSED”	Shanghai Red Star Macalline Enterprise Development Co., Ltd.* (上海紅星美凱龍企業發展有限公司), a limited liability company established in the PRC, which is held as to 70.15% by RSI, 27.60% by affiliates of Warburg Pincus LLC (a substantial shareholder of the Company) and 2.25% by other minority shareholders
“RSI”	Shanghai Red Star Macalline Investment Company Limited* (上海紅星美凱龍投資有限公司), a limited liability company established in the PRC and a controlling shareholder of the Company, which is directly controlled by Mr. Che
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou Kairun”	Suzhou Kairun Property Company Limited (蘇州凱潤置業有限公司), a company established in the PRC which is held as to 60% by RSED and 40% by Suzhou Mudu Group Company Limited* (蘇州市木瀆集團有限公司).
“Suzhou Kairun Home Furnishing Shopping Mall Assets”	the property held by Suzhou Kairun, on which the Group proposes to construct and operate a home improvement and furnishings shopping mall

“Target Company”

Shanghai Red Star Macalline Industrial Company Limited (上海紅星美凱龍實業有限公司), which is a company established in the PRC and the target company of the Equity Transfer Framework Agreement

* *for identification purposes only*

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

Hong Kong
23 October 2015

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 XU Guofeng, CHEN Shuhong, Joseph Raymond GAGNON, ZHANG Qiqi; and the independent non-executive Directors are ZHOU Qinye, LI Zhenning, DING Yuan, LEE Kwan Hung.