

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.

This announcement has been prepared pursuant to, and in order to comply with, the Listing Rules and the Share Buy-backs Code and does not constitute an offer to buy, or the solicitation of an offer to sell or subscribe for, any securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to buy, sell or subscribe for any securities.



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 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**

RESULTS OF THE OFFER

Financial adviser to the Company



China International Capital Corporation Hong Kong Securities Limited

The Offer was closed at 4:00 p.m. (Hong Kong time) on Friday, 6 July 2018. As at 4:00 p.m. (Hong Kong time) on Friday, 6 July 2018, being the Latest Acceptance Time, valid acceptances in respect of a total of 785,601,655 Accepted Shares had been received by the Company from the Accepting Shareholders under the Offer, the aggregate of which represents 19.94% of the total issued share capital of the Company and 73.92% of the total issued H Share capital of the Company as at the Latest Acceptance Time and approximately 202.00% of the Maximum Number of H Shares, being 388,917,038 H Shares, to be bought-back and cancelled by the Company.

Immediately after the completion of the Offer and cancellation of the bought-back H Shares, the Company's issued share capital held by Mr. CHE Jianxing and parties acting in concert with him will increase from approximately 62.97% to approximately 69.87% and the total issued A Share capital of the Company held by Mr. CHE Jianxing and parties acting in concert with him will remain unchanged at approximately 86.24%.

The Registrar will send, by ordinary post at the Accepting Shareholder's own risk, a remittance for such total amount as is due to that Accepting Shareholder under the Offer (subject to deduction of seller's ad valorem stamp duty due on the buy-back of the H Shares from the amount payable in cash) and share certificates in respect of the balance of such H Shares not bought-back by the Company in full (where applicable), within 7 business days after the close of the Offer, that is on or before Tuesday, 17 July 2018.

Reference is made to (i) the announcement of Red Star Macalline Group Corporation Ltd. (the "**Company**") dated 5 April 2018 in relation to the proposed voluntary conditional cash offer to be made by China International Capital Corporation Hong Kong Securities Limited on behalf of the Company to buy-back up to 388,917,038 H Shares at an offer price of HK\$11.78 per H Share (the "**Offer**"); (ii) the offer document dated 24 April 2018 in relation to the Offer (the "**Offer Document**"); (iii) the update announcements of the Company dated 24 April 2018 and 1 June 2018, respectively, in relation to the Offer; (iv) the announcement of the Company dated 4 June 2018 in relation to the Proposed Interest Payment (as defined therein) in connection with the Offer which constitutes a special deal under Rule 25 of the Takeovers Code; (v) the circular of the Company dated 5 June 2018 (the "**Supplemental Offer Document**", together with the Offer Document, the "**Offer Documents**"); and (vi) the announcement of the Company dated 8 June 2018 in relation to, among other things, the poll results of the AGM and the Class Meetings. Terms not otherwise defined in this announcement shall have the same meanings ascribed thereto in the Offer Documents.

CLOSE OF THE OFFER

The Offer closed at 4:00 p.m. (Hong Kong time) on Friday, 6 July 2018.

ACCEPTANCE LEVEL OF THE OFFER

As at 4:00 p.m. (Hong Kong time) on Friday, 6 July 2018, being the Latest Acceptance Time, valid acceptances in respect of a total of 785,601,655 H Shares (the "**Accepted Shares**") had been received by the Company from the accepting Qualifying Shareholders (the "**Accepting Shareholders**") under the Offer, representing 19.94% of the total issued share capital of the Company and 73.92% of the total issued H Share capital of the Company as at the Latest Acceptance Time and approximately 202.00% of the Maximum Number of H Shares, being 388,917,038 H Shares, to be bought-back and cancelled by the Company.

ASSURED ENTITLEMENT AND BASIS OF ALLOCATION OF EXCESS ACCEPTANCES

As stated in the Offer Document, H Shares validly accepted by Accepting Shareholders will be bought back by the Company in full to the extent of each Accepting Shareholder's Assured Entitlements (being 36.59% of each Qualifying Shareholder's holding of H Shares on the Record Date).

As the aggregate H Shares validly accepted by Accepting Shareholders in excess of their Assured Entitlements (the "**Excess Shares**") exceed the Maximum Number of H Shares, acceptances of the Excess Shares will be scaled down on a pro rata basis, based on the total number of Excess Shares and calculated in accordance with the following formula (save that the Company may in its absolute discretion round such figure up or down with the intention of avoiding (as far as practicable) H Shares being held by Qualifying Shareholders in odd lots or fractional entitlements):

$$\frac{(388,917,038 - A) \times C}{B}$$

- A: Total number of H Shares in respect of which the Offer is validly accepted by all Accepting Shareholders up to and including their respective Assured Entitlements. For the avoidance of doubt, "A" excludes any H Shares validly accepted by Accepting Shareholders in excess of their respective Assured Entitlements. By way of elaboration, in the event that only certain (but not all) of the H Share Shareholders tender their holdings pursuant to the Offer and/or where certain H Share Shareholders accept the Offer to the extent that is less than their respective Assured Entitlements, "A" will be less than 388,917,038 and the formula will produce a result for the Company to buy-back H Shares in excess of the Assured Entitlements for those Accepting Shareholders who have validly accepted the Offer
- B: Total number of H Shares in respect of which the Offer is validly accepted by Accepting Shareholders in excess of their Assured Entitlements
- C: Number of H Shares in respect of which the Offer is validly accepted by a particular Accepting Shareholder in excess of his/her/its Assured Entitlement

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below shows the shareholding structure immediately before 5 April 2018, being the commencement of the Offer Period, and immediately after the completion of the Offer and cancellation of the bought-back H Shares by the Company:

Shareholders	Immediately before the Offer			Immediately after completion of the Offer and cancellation of the bought-back H Shares		
	Shares held in the relevant class ⁽¹⁾	% in the relevant class ⁽¹⁾	% in the total issued share capital ⁽¹⁾	Shares held in the relevant class ⁽¹⁾	% in the relevant class ⁽¹⁾	% in the total issued share capital ⁽¹⁾
A Shares:						
CHE Jianxing (車建興) ⁽²⁾⁽³⁾	2,480,315,772	86.24%	62.97%	2,480,315,772	86.24%	69.87%
Shanghai Hong Mei ⁽⁴⁾	12,659,994	0.44%	0.32%	12,659,994	0.44%	0.36%
Public A Shares Shareholders	383,128,203	13.32%	9.73%	383,128,203	13.32%	10.79%
H Shares:						
H Shares Public Shareholders	<u>1,062,813,069</u>	100%	<u>26.98%</u>	<u>673,896,031</u>	100%	<u>18.98%</u>
Total	<u><u>3,938,917,038</u></u>		<u><u>100%</u></u>	<u><u>3,550,000,000</u></u>		<u><u>100%</u></u>

Notes:

- (1) Immediately before completion of the Offer and cancellation of the bought-back H Shares, the Company had 3,938,917,038 issued Shares in total, comprising of 2,876,103,969 A Shares and 1,062,813,069 H Shares.
- (2) Mr. CHE Jianxing indirectly holds 62.97% of the issued Shares in total of the Company through his 92.00% direct interest in Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (formerly known as “Shanghai Red Star Macalline Investments Company Limited” (上海紅星美凱龍投資有限公司)) (“**RSM Holding**”, a limited liability company incorporated in the PRC) and is deemed to be interested in the 2,480,315,772 A Shares held by RSM Holding for the purpose of the SFO. The remaining 8.00% in the share capital of RSM Holding is held by the sister of Mr. CHE Jianxing, Ms. CHE Jianfang, who does not hold any H Shares.
- (3) Ms. CHEN Shuhong is the spouse of Mr. CHE Jianxing. Under the SFO, Ms. CHEN Shuhong is deemed to be interested in the same number of Shares in which Mr. CHE Jianxing is interested.
- (4) Shanghai Hong Mei is a limited partnership established under the laws of the PRC. CHAO Yanping (巢豔萍), a supervisor of the Company and therefore a “core connected person” of the Company, is the general partner of Shanghai Hong Mei. Accordingly, Shanghai Hong Mei, a close associate (as defined in the Listing Rules) of CHAO Yanping, also constitutes a “core connected person” of the Company and therefore, the 12,659,994 A Shares held by Shanghai Hong Mei shall not be counted towards public float of the Company.

Save for 1,062,813,069 H Shares and 2,876,103,969 A Shares in issue during the Offer Period, the Company did not have any other class of securities, outstanding options, derivatives, warrants or other securities which are convertible or exchangeable into H Shares or A Shares (as applicable) during the Offer Period.

Immediately after the completion of the Offer and cancellation of the bought-back H Shares, the Company's issued share capital held by Mr. CHE Jianxing and parties acting in concert with him will increase from approximately 62.97% to approximately 69.87% and the total issued A Share capital of the Company held by Mr. CHE Jianxing and parties acting in concert with him will remain unchanged at approximately 86.24%.

Save for the Accepted Shares, none of the Company, the Directors and parties acting in concert with any of them has dealt for value in or acquired or agreed to acquire any Shares, options, warrants, derivatives or securities convertible into Shares or has borrowed or lent any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period.

SETTLEMENT

The Registrar will send, by ordinary post at the Accepting Shareholder's own risk, a remittance for such total amount as is due to that Accepting Shareholder under the Offer (subject to deduction of seller's ad valorem stamp duty due on the buy-back of the H Shares from the amount payable in cash) and share certificates in respect of the balance of such H Shares not bought-back by the Company in full (where applicable), within 7 business days after the close of the Offer, that is on or before Tuesday, 17 July 2018.

ODD LOTS ARRANGEMENTS

Computershare Hong Kong Investor Services Limited, whose address is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (telephone number: (852) 2862 8555) has been appointed by the Company as the designated broker to match sales and purchases of odd lot holdings of H Shares in the market **for a period of six weeks from the completion of the Offer** to enable odd lot H Shareholders to dispose of their odd lots or to top up odd lots to whole board lots of 200 H Shares. Odd lot H Shareholders should note that the matching of odd lots is not guaranteed.

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

Shanghai, the PRC
6 July 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 are CHEN Shuhong, XU Guofeng, Joseph Raymond GAGNON and ZHANG Qiqi; and the independent non-executive Directors 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 contained in this announcement misleading.