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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. This announcement is not a prospectus. Potential investors should read the prospectus dated Tuesday, June 16, 2015 (the “**Prospectus**”) issued by Red Star Macalline Group Corporation Ltd. (the “**Company**”) for detailed information about the Global Offering described below before deciding whether or not to invest in the H Shares thereby being offered.*

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Unless otherwise defined in this announcement, terms defined in the Prospectus have the same meanings when used in this announcement.

*In connection with the Global Offering, Morgan Stanley Asia Limited, as stabilizing manager (the “**Stabilizing Manager**”), its affiliates or any person acting for it, on behalf of the Underwriters, may effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after Listing Date. However, there is no obligation on the Stabilizing Manager, its affiliates or any person acting for it, to conduct any such stabilizing action, which, if commenced, will be done at the sole and absolute discretion of the Stabilizing Manager, its affiliates or any person acting for it, and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering (Sunday, July 19, 2015). Such stabilization action, if commenced, may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws, rules and regulatory requirements, including the Securities and Futures (Price Stabilizing) Rules (Cap. 571W of the Laws of Hong Kong), as amended, made under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).*

Potential investors should be aware that stabilizing action cannot be taken to support the price of the H Shares for longer than the stabilization period which begins on the Listing Date and is expected to expire on the 30th day after the date of closing of the application lists under the Hong Kong Public Offering. After this date, no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall.



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)

GLOBAL OFFERING

Number of Offer Shares	:	543,588,000 H Shares (subject to the
in the Global Offering		Over-allotment Option)
Number of Offer Shares in the	:	489,229,200 H Shares (subject to adjustment
International Offering		and the Over-allotment Option)
Number of Hong Kong Offer Shares	:	54,358,800 H Shares (subject to adjustment)
Maximum Offer Price	:	HK\$13.28 per H Share, plus 1% brokerage, SFC transaction levy of 0.0027%, and Hong Kong Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	:	RMB1.00 per H Share
Stock code	:	1528

Joint Sponsors (in alphabetical order)



Goldman Sachs

Morgan Stanley

Joint Global Coordinators



Goldman Sachs

Morgan Stanley



CMS 招商證券

Joint Bookrunners & Joint Lead Managers



Goldman Sachs

Morgan Stanley



CMS 招商證券

ICBC 工銀國際



Joint Lead Managers



The Company has applied to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including the additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the 519,225,069 Shares held by Candlewood and Springwood which will, subject to compliance with applicable laws and regulations, be converted into H Shares upon completion of the Global Offering. Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence at 9:00 a.m. on Friday, June 26, 2015. In the event the Over-allotment Option is exercised, an announcement will be made by the Company which will be posted on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.chinaredstar.com).

The Global Offering comprises the Hong Kong Public Offering of 54,358,800 H Shares (subject to adjustment), and the International Offering of 489,229,200 H Shares (subject to adjustment and the Over-allotment Option). The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering will be subject to reallocation as described in the section headed “Structure of the Global Offering” in the Prospectus.

In connection with the Global Offering, the Company is expected to grant an Over-allotment Option to the International Underwriters exercisable by the Underwriters’ Representatives (on behalf of the International Underwriters), pursuant to which the Company will be required to allot and issue up to 81,538,200 additional new H Shares, representing 15% of the H Shares initially being offered under the Global Offering, at the Offer Price to cover over-allocations in the International Offering, if any.

Subject to the granting of the approval for listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

The Offer Price will not be more than HK\$13.28 per Offer Share and is currently expected to be not less than HK\$11.18 per Offer Share, unless otherwise announced as further explained in the section headed “Structure of the Global Offering” in the Prospectus. Applicants for the Hong Kong Offer Shares are required to pay, on application, the Offer Price of HK\$13.28 per Offer Share together with brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%.

Applications for the Hong Kong Offer Shares will only be considered on the basis of the terms and conditions set out in the Prospectus, the **WHITE** or **YELLOW** Application Forms and the designated website (www.eipo.com.hk) for **White Form eIPO**.

Applicants who wish to be issued the Hong Kong Offer Shares in their own names should (i) complete and sign the **WHITE** Application Form; or (ii) submit applications online through the designated website of the **White Form eIPO** Service Provider at www.eipo.com.hk under the **White Form eIPO** service. Applicants who wish to have the Hong Kong Offer Shares issued in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participant stock account or their designated CCASS Participant’s stock account should (i) complete and sign the **YELLOW** Application Form; or (ii) give **electronic application instructions** to HKSCC via CCASS.

Copies of the Prospectus, together with the **WHITE** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Tuesday, June 16, 2015 till 12:00 noon on Friday, June 19, 2015 (or such later date as may apply as described in the section headed “How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists” in the Prospectus) from any of the following addresses of the Underwriters’ Representatives:

China International Capital Corporation Hong Kong Securities Limited

29th Floor, One International Finance Center
1 Harbour View Street
Central
Hong Kong

Goldman Sachs (Asia) L.L.C.

68th Floor, Cheung Kong Center
2 Queen’s Road Central
Hong Kong

Morgan Stanley Asia Limited

Level 46, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

or any of the following branches of:

Industrial and Commercial Bank of China (Asia) Limited

District	Branch name	Address
Hong Kong Island	Central Branch	1/F, 9 Queen’s Road Central
	Sheung Wan Branch	Shop F, G/F, Kai Tak Commercial Building, 317–319 Des Voeux Road Central, Sheung Wan
	Causeway Bay Branch	Shop A on G/F, 1/F, Hennessy Apartments, 488 & 490 Hennessy Road
Kowloon	Tsimshatsui East Branch	Shop B, G/F, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon
	Yaumatei Branch	542 Nathan Road, Yaumatei
	Mei Foo Branch	Shop N95A, 1/F, Mount Sterling Mall, Mei Foo Sun Chuen
New Territories	Tsuen Wan Castle Peak Road Branch	G/F, 423–427 Castle Peak Road Tsuen Wan
	Tai Po Branch	Shop F, G/F, Mee Fat Building, No 34–38 Tai Wing Lane, Tai Po

Bank of Communications Co., Ltd. Hong Kong Branch

District	Branch name	Address
Hong Kong Island	Hong Kong Branch	20 Pedder Street, Central
	Aberdeen Sub-Branch	Shop 3, G/F, 2/4 & 14/16 Nam Ning Street, Aberdeen Centre (Site 4), Aberdeen
Kowloon	Hunghom Sub-Branch	Flat/Rm A6, G/F., Wing Kwai Building, 1–3 Tak Man Street, Whampoa Estate
New Territories	Tiu Keng Leng Sub-Branch	Unit L2-064 & 065, Metro Town Shopping Mall, 8 King Ling Road, Tiu Keng Leng
	Fanling Sub-Branch	Shop No. 84A–84B, G/F., Flora Plaza, Fanling

Copies of the Prospectus, together with the **YELLOW** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Tuesday, June 16, 2015 till 12:00 noon on Friday, June 19, 2015 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or your stockbroker, who may have **YELLOW** Application Forms and the Prospectus available.

Your **WHITE** or **YELLOW** Application Forms can be lodged at the following times on the following dates:

Tuesday, June 16, 2015	— 9:00 a.m. to 5:00 p.m.
Wednesday, June 17, 2015	— 9:00 a.m. to 5:00 p.m.
Thursday, June 18, 2015	— 9:00 a.m. to 5:00 p.m.
Friday, June 19, 2015	— 9:00 a.m. to 12:00 noon

The **WHITE** or **YELLOW** Application Form completed in all respects in accordance with the instructions printed thereon, together with a cheque or banker's cashier order payable to "ICBC (ASIA) NOMINEE LIMITED — RED STAR MACALLINE PUBLIC OFFER" for the payment, attached and marked should be securely stapled and deposited in the special collection boxes provided at any of the branches of the receiving bank listed above on such dates and during such time as specified on the Application Forms.

Applicants may apply online through the **White Form eIPO** service by submitting an application through the designated website at www.eipo.com.hk from 9:00 a.m. on Tuesday, June 16, 2015 till 11:30 a.m. on Friday, June 19, 2015 or such later date as described in the section headed "How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists" in the Prospectus (24 hours daily, except on the last application day).

CCASS Participants can input **electronic application instructions** from 9:00 a.m. on Tuesday, June 16, 2015 till 12:00 noon on Friday, June 19, 2015 or such later date as may apply as described in the section headed “How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists” in the Prospectus.

Please refer to the sections entitled “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” of the Prospectus for details of the conditions and procedures of the Hong Kong Public Offering.

The Company expects to announce the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Thursday, June 25, 2015 in the South China Morning Post (in English), Hong Kong Economic Times (in Chinese), the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chinaredstar.com).

The Hong Kong Identity Card/passport/Hong Kong Business Registration (where appropriate) numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified in the section headed “How to Apply for Hong Kong Offer Shares — 11. Publication of Results” in the Prospectus.

No temporary documents of title will be issued in respect of the H Shares and no receipt will be issued for sums paid on application. H Share certificates will only become valid certificates of title provided that the Global Offering has become unconditional in all respects and neither of the Hong Kong Underwriting Agreement nor the International Underwriting Agreement is terminated in accordance with its respective terms prior to 8:00 a.m. on Friday, June 26, 2015. Dealings in the H Shares are expected to commence at 9:00 a.m. on Friday, June 26, 2015. The H Shares will be traded in board lots of 200 H Shares each. The stock code of the H Shares is 1528.

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

Hong Kong, June 16, 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.

Please also refer to the published version of this announcement in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese).