新明中国控股
XINMING CHINA

Xinming China Holdings Limited
新明中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 02699)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

INTERIM RESULTS HIGHLIGHTS

For the six months ended 30 June 2015

- Turnover of the Group amounted to approximately RMB973.8 million, representing an increase of approximately 11.2% as compared to the same period of last year.
- Gross profit of the Group amounted to approximately RMB256.8 million, representing a decrease of approximately 44.3% as compared to the same period of last year.
- Profit attributable to the shareholders of the Company was approximately RMB83.6 million, representing a decrease of approximately 63.0% as compared to the same period of last year.
- Basic earnings per share was approximately RMB0.06.
- The board of directors did not recommend the payment of interim dividend as of 30 June 2015.

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Xinming China Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2015 (the "Period") prepared in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, together with comparative figures for the corresponding period of 2014.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		For the six months ended 30 June	
		2015	2014
		RMB'000	*RMB'000*
	Note	**(Unaudited)**	(Unaudited)
REVENUE	*5*	**973,756**	875,763
Cost of sales		**(716,997)**	(414,552)
Gross profit		**256,759**	461,211
Other income and gains	*5*	**394**	1,797
Selling and distribution costs		**(27,462)**	(45,896)
Administrative expenses		**(54,008)**	(42,085)
Other expenses		**(1,611)**	(5,336)
Changes in fair value of investment properties		**13,794**	6,476
Finance costs	*6*	**(877)**	(1,476)
PROFIT BEFORE TAX	*7*	**186,989**	374,691
Income tax expense	*8*	**(80,613)**	(159,627)
PROFIT AFTER TAX AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**106,376**	215,064
ATTRIBUTABLE TO:			
Owners of the parent		**83,598**	226,174
Non-controlling interests		**22,778**	(11,110)
		106,376	215,064
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For profit for the period (RMB)	*10*	**0.06**	0.17

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**14,846**	16,377
Investment properties	*12*	**1,846,482**	1,832,688
Deferred tax assets		**92,323**	110,022
		1,953,651	1,959,087
CURRENT ASSETS			
Properties under development		**2,417,967**	1,664,186
Completed properties held for sale		**794,225**	1,079,644
Trade receivables	*13*	**11,633**	5,097
Due from the Controlling Shareholder		**–**	4,042
Due from other related parties		**4,665**	3,492
Prepayments, deposits and other receivables		**310,723**	725,967
Tax recoverable		**45,971**	52,338
Restricted deposits		**511**	18,401
Cash and cash equivalents		**180,860**	40,301
		3,766,555	3,593,468
CURRENT LIABILITIES			
Trade payables	*14*	**652,450**	695,432
Other payables and accruals		**366,694**	324,700
Advances from customers		**345,498**	1,083,369
Due to other related parties		**15,653**	256,769
Interest-bearing bank loans and other borrowings	*15*	**85,000**	85,000
Provisions	*16*	**4,552**	21,149
Tax payable		**622,744**	598,671
		2,092,591	3,065,090
NET CURRENT ASSETS		**1,673,964**	528,378
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,627,615**	2,487,465

	Notes	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank loans and other borrowings	*15*	**2,335,700**	1,315,000
Provisions	*16*	**1,441**	3,161
Other liabilities		**4,965**	296
Deferred tax liabilities		**238,233**	228,108
		2,580,339	1,546,565
NET ASSETS		**1,047,276**	940,900
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**–**	–
Reserves		**979,614**	896,016
Non-controlling interests		**67,662**	44,884
TOTAL EQUITY		**1,047,276**	940,900

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Parent					
	Share capital	**Merger reserve***	**Retained profits***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
At 1 January 2015(audited)	**–**	**81,491**	**814,525**	**896,016**	**44,884**	**940,900**
Profit and total other comprehensive income for the period	**–**	**–**	**83,598**	**83,598**	**22,778**	**106,376**
At 30 June 2015(unaudited)	**–**	**81,491**	**898,123**	**979,614**	**67,662**	**1,047,276**

* These reserve accounts comprise the consolidated reserves of RMB979,614,000 as at 30 June 2015 (31 December 2014: RMB896,016,000).

	Attributable to owners of the Parent					
	Share capital	Merger reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2014(audited)	–	685,353	484,346	1,169,699	64,028	1,233,727
Profit and total other comprehensive income for the period	–	–	226,174	226,174	(11,110)	215,064
Acquisition of subsidiaries from the then shareholder	–	(423,863)	–	(423,863)	–	(423,863)
At 30 June 2014(unaudited)	–	261,490	710,520	972,010	52,918	1,024,928

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended 30 June 2015

	For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash used in operations	**(403,414)**	(391,977)
Tax paid	**(22,349)**	(35,614)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(425,763)**	(427,591)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(515)**	(565)
Bank interest income	**141**	194
Interest income received from available-for-sale financial investment	**–**	345
Proceeds from disposal of available-for-sale investment	**–**	3,000
NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES	**(374)**	2,974
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(78,653)**	(86,732)
New interest-bearing bank loans and other borrowings	**1,340,700**	561,000
Decrease/(increase) in other receivables	**(122,707)**	24,353
Decrease in other payables	**(14,397)**	(109,022)
Increase in due from other related parties	**(1,173)**	(25,133)
Decrease in due from the Controlling Shareholder	**4,042**	23,207
Increase/(decrease) in amount due to other related parties	**(241,116)**	34,204
Increase in amount due to the Controlling Shareholder	**–**	60,794
Repayment of interest-bearing loans and other borrowings	**(320,000)**	(50,000)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**566,696**	432,671
NET INCREASE IN CASH AND CASH EQUIVALENTS	**140,559**	8,054
Cash and cash equivalents at beginning of period	**40,301**	161,412
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**180,860**	169,466

UNAUDITED INTERIM NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 16 January 2014 as an exempted company with limited liability under the Companies Law, Chapter 22 of the Cayman Islands. The registered office of the Company is at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The principal activity of the Company is investment holding. The Group was mainly involved in property development, property leasing and the provision of property management services. In the opinion of the Directors, the ultimate holding company of the Company is Xinxing Company Limited. The ultimate controlling shareholder of the Group is Mr. Chen Chengshou (the "Controlling Shareholder").

The shares of the Company were listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 6 July 2015.

2. BASIS OF PRESENTATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of presentation

The unaudited interim condensed consolidated financial statements, which comprise the interim condensed consolidated statement of financial position of the Group as at 30 June 2015 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2014.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition

- A performance target must be met while the counterparty is rendering service

- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group

- A performance condition may be a market or non-market condition

- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

The above definitions are consistent with how the Group has identified any performance and service conditions which are vesting conditions in previous periods, and thus these amendments do not impact the Group's accounting policies.

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are "similar"

- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The amendment is not relevant for the Group as no judgements made by the management regarding to the "similar" business.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation adjustments during the current interim period.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3

- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

The Group is not a joint arrangement, and thus this amendment is not relevant for the Group and its subsidiaries.

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.

3 SEASONALITY OF OPERATIONS

The Group's operations are not subject to seasonality.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

(a) the property development segment engages in the development and sale of properties;

(b) the property leasing segment engages in properties for their rental income potential and/or for capital appreciation;

(c) the property management segment engages in the management of the Group's developed; and;

(d) the other segment engages in investment holding.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax from continuing operations.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

No information about major customers is presented as no single customer individually contributed to over 10% of the Group's revenue for six months ended 30 Jun 2014 and 2015.

For the six months ended 30 June 2015 (unaudited)

	Property development *RMB'000*	**Property leasing** *RMB'000*	**Property management** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Segment revenue:					
Sales to external customers	**922,952**	**42,489**	**8,315**	**–**	**973,756**
Revenue					**973,756**
Segment results:	**176,066**	**23,883**	**(3,566)**	**(9,394)**	**186,989**
Profit before tax					**186,989**
Segment assets	**7,121,150**	**1,143,890**	**21,244**	**1,674,857**	**9,961,141**
Reconciliation:					
Elimination of intersegment receivables					**(4,240,935)**
Total assets					**5,720,206**
Segment liabilities	**6,091,425**	**402,160**	**109,820**	**1,619,641**	**8,223,046**
Reconciliation:					
Elimination of intersegment payables					**(3,550,116)**
Total liabilities					**4,672,930**
Other segment information:					
Depreciation	**1,980**	**41**	**23**	**1**	**2,045**
Bank interest income	**(76)**	**(1)**	**(3)**	**(61)**	**(141)**
Finance costs	**–**	**877**	**–**	**–**	**877**
Fair value gains on investment properties	**–**	**(13,794)**	**–**	**–**	**(13,794)**
Provision for impairment of trade receivables	**–**	**842**	**–**	**–**	**842**
Capital Expenditure	**492**	**–**	**17**	**6**	**515**

For the six months ended 30 June 2014 (unaudited)

	Property development *RMB'000*	Property leasing *RMB'000*	Property management *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue:					
Sales to external customers	830,866	36,660	8,237	–	875,763
Revenue					875,763
Segment results:	370,757	7,574	(2,082)	(1,558)	374,691
Profit before tax					374,691
Segment assets	5,358,579	1,849,737	13,704	887,015	8,109,035
Reconciliation:					
Elimination of intersegment receivables					(1,741,160)
Total assets					6,367,875
Segment liabilities	6,384,526	338,976	49,877	838,920	7,612,299
Reconciliation:					
Elimination of intersegment payables					(2,269,352)
Total liabilities					5,342,947
Other segment information:					
Depreciation	2,621	3	19	–	2,643
Bank interest income	(132)	(4)	(56)	(2)	(194)
Finance costs	–	1,476	–	–	1,476
Fair value gains on investment properties	–	(6,476)	–	–	(6,476)
Provision for impairment of trade receivables	–	1,203	–	–	1,203
Capital Expenditure	565	–	–	–	565

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue and other income and gains is as follows:

	For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Sales of properties	**979,118**	880,747
Rental income	**44,721**	38,301
Property management service income	**8,773**	8,656
	1,032,612	927,704
Less: Government surcharges	**(58,856)**	(51,941)
	973,756	875,763

	For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income and gains		
Bank interest income	**141**	194
Government grants	**112**	1,520
Others	**141**	83
	394	1,797

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance costs		
Interest on interest-bearing bank loans and other borrowings wholly repayable within five years	**78,653**	86,732
Notional interest	**877**	1,476
Total interest expense on financial liabilities not at fair value through profit or loss	**79,530**	88,208
Less: Interest capitalised	**(78,653)**	(86,732)
	877	1,476

7. PROFIT BEFORE TAX

The Group's profit for the six months ended 30 June 2015 and 2014 is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of properties sold	**693,065**	387,451
Cost of property management service provided	**8,434**	7,810
Cost of leasing properties	**15,498**	19,291
Auditor's remuneration	**513**	885
Depreciation	**2,045**	2,643
Change in fair value of investment Properties	**(13,794)**	(6,476)
Provision for onerous operating Lease	**(382)**	3,579
Provision for impairment of trade receivables	**842**	1,203
Employee benefit expense:		
Wages and salaries	**16,944**	10,757
Pension scheme and social welfare	**6,646**	3,390

8. INCOME TAX

The Group is subject to income tax on an entity based on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

The major components of income tax expense in the interim condensed consolidated statement of profit or loss and other comprehensive income are:

	For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
Income tax in the PRC for the period	**16,024**	102,992
LAT	**36,765**	85,462
Deferred tax	**27,824**	(28,827)
Total tax charge for the period	**80,613**	159,627

9. DIVIDENDS

The Directors did not recommend the payment of an interim dividend during the Period (six months ended 30 June 2014: nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,410,000,000(six months ended 30 June 2014: 1,292,500,000) in issue during the Period.

The Group had no potentially dilutive ordinary shares in issue during the Period.

11. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired assets with a cost of RMB515,000 (six months ended 30 June 2014: RMB565,000), including property, plant and machinery in the People's Republic of China (the "PRC").

No assets were disposed of by the Group during the Period (six months ended 30 June 2014: nil).

No assets were pledged as security for interest–bearing bank loans and other borrowings granted to the Group (six months ended 30 June 2014: nil).

12. INVESTMENT PROPERTIES

	Completed	**Under construction**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2015 (audited)	1,832,688	–	1,832,688
Change in fair value of investment properties	13,794	–	13,794
At 30 June 2015 (unaudited)	1,846,482	–	1,846,482

	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Carrying amount	**821,638**	821,638
Investment properties:		
At fair value	**1,846,482**	1,832,688

The Group's investment properties are situated in Mainland China and are held under medium term leases.

As at 30 June 2015 and 31 December 2014, the Group's investment properties with values of RMB1,846,482,000 and RMB1,832,688,000, respectively, were pledged to secure general interest-bearing bank loans and other borrowings granted to the Group.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

Recurring fair value measurement for:	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2014 (audited)				
Commercial properties	–	–	1,832,688	1,832,688
30 June 2015 (unaudited)				
Commercial properties	**–**	**–**	**1,846,482**	**1,846,482**

As at 30 June 2015 and 31 December 2014, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial properties *RMB'000*
Carrying amount at 1 January 2015(audited)	1,832,688
Net gain from a fair value adjustment recognised in changes in fair value of investment properties in profit or loss	13,794
Carrying amount at 30 June 2015(unaudited)	1,846,482

Fair value and fair value hierarchy

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

13. TRADE RECEIVABLES

	30 June 2015 ***RMB'000*** **(Unaudited)**	31 December 2014 *RMB'000* (Audited)
Trade receivables	**13,905**	6,527
Impairment	**(2,272)**	(1,430)
	11,633	5,097

Trade receivables represent rentals receivable from tenants, sales income and service income receivables from customers which are payable in advance in accordance with the terms of the related sales and purchase agreements. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Trade receivables are unsecured and non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, and net of provision for doubtful debts, is as follows:

	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within one year	**11,633**	5,097

The movements in provision for impairment of trade receivables are as follows:

	RMB'000
As at 1 January 2015 and 31 December 2014(audited)	1,430
Impairment provision recognised	842
As at 30 June 2015(unaudited)	2,272

Included in the above provision for impairment of trade receivables is provision for the impaired trade receivables of RMB2,272,000 and RMB1,430,000 with the carrying amount before provision of RMB13,905,000 and RMB6,527,000, as at 30 June 2015 and 31 December 2014, respectively.

The aged analysis of the trade receivables that are not individually or collectively considered to be impaired is as follows:

	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Past due within one year but not impaired	**11,633**	5,097

Receivables that were past due within one year but not impaired relate to a large number of diversified customers for whom there was no recent history of default. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as these has not been a significant change in credit quality and the balances are still considered fully recoverable.

14. TRADE PAYABLES

An aged analysis of the outstanding trade payables is as follows:

	30 June 2015 *RMB'000* (Unaudited)	31 December 2014 *RMB'000* (Audited)
Less than one year	**591,959**	684,526
Over one year	**60,491**	10,906
	652,450	695,432

The trade payables are unsecured and non-interest-bearing.

15. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

		30 June 2015 *RMB'000* (Unaudited)	31 December 2014 *RMB'000* (Audited)
Bank loans, secured		**920,700**	600,000
Other borrowings, secured	*(i)*	**1,500,000**	800,000
Bank loans and other borrowings		**2,420,700**	1,400,000
Repayable within one year		**85,000**	85,000
Repayable in the second year		**295,000**	295,000
Repayable in the third to fifth years		**1,950,700**	930,000
Repayable beyond five years		**90,000**	90,000
		2,420,700	1,400,000
Analysed into:			
Current		**85,000**	85,000
Non-current		**2,335,700**	1,315,000
		2,420,700	1,400,000

(i) The other borrowings represent borrowings from third-party financial institutions, which bear interest at the rate from 9.0% to 9.6% per annum.

The Group's borrowings are all denominated in RMB.

The effective interest rates of the Group's interest-bearing bank loans and other borrowings ranged as follows:

For the six months ended 30 June 2015	6.33%-12.00%
Year ended 31 December 2014	6.40%-10.30%

The Group's interest-bearing bank loans and other borrowings are secured by the pledges of the following assets with carrying values at 30 June 2015 and 31 December 2014 as follows:

		30 June 2015	31 December 2014
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
Equity interests in a subsidiaries	*(ii)*	**369,283**	290,038
Investment properties		**1,846,482**	1,832,688
Properties under development		**2,059,743**	1,056,334

(ii) As at 30 June 2015, the Group's other borrowings of RMB500,000,000, RMB150,000,000 and RMB150,000,000 (31 December 2014: RMB500,000,000, RMB150,000,000 and RMB150,000,000) are secured by the 100% equity interest of Taizhou Investment, Wenshang Times and Shangdong Xinmeng, the subsidiaries of the Company, respectively.

The Group's interest-bearing bank loans and other borrowings of RMB2,420,700,000 and RMB1,400,000,000 as at 30 June 2015 and 31 December 2014 were jointly guaranteed by the Controlling Shareholder, Mr. Chen Chengshou (the "Mr. Chen"), the non-executive Director, Ms. Gao Qiaoqin (the "Ms. Gao"), the Group's related company, Xinming Group Limited and Mr. Gao Liku, Ms. Hao Fang and Hangzhou Gaochuan Holding Co., Ltd, the non-controlling shareholders of Shandong Xingmeng, a subsidiary of the Company, Mr. Shen Ming, Dongguan City Ouhai Shiye Co.,Ltd, Dongguan City Senxin Apparel Co., Ltd. and Zhejiang Xingji Elevators Co., Ltd. the non-controlling shareholders of Chongqing Xinming, a subsidiary of the Company.

16. PROVISIONS

Onerous operating lease:

	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current	**4,552**	21,149
Non-current	**1,441**	3,161
Total	**5,993**	24,310

MANAGEMENT DISCUSSION AND ANALYSIS (INCLUDING FINANCIAL REVIEW)

RESULTS REVIEW

The Group's total revenue during the Period amounted to approximately RMB973.8 million, representing an increase of approximately 11.2% from approximately RMB875.8 million for the corresponding period of last year.

Profit attributable to the shareholders of the Company during the Period amounted to approximately RMB83.6 million, representing a decrease of approximately 63.0% from approximately RMB226.2 million for the corresponding period of last year.

During the Period, earnings per share were approximately RMB0.06 (for the first half of 2014: RMB0.17).

As at 30 June 2015, the Group's total assets amounted to approximately RMB5,720.2 million (31 December 2014: approximately RMB5,552.6 million), while total liabilities amounted to approximately RMB4,672.9 million (31 December 2014: approximately RMB4,611.7 million); total equity was approximately RMB1,047.3 million (31 December 2014: approximately RMB940.9 million), and net asset value per share was approximately RMB0.74 (31 December 2014: approximately RMB0.67).

In the first half of 2015, China's real estate market generally benefited from the 7% growth in gross domestic product ("GDP") recorded for the Period, with the country's commercial property sales increased by 10.0% year-on-year and GFA sold up 3.9% year-on-year. Although the residential property market posted double-digit sales growth, the growth rate of selling prices varied in different cities.

In light of the changing market conditions, the Group leveraged opportunities to accelerate property sales and enhanced marketing efforts in order to expedite cash inflow.

The Group recorded sales of properties of RMB923.0 million and delivered GFA of approximately 118,984.5 sq.m. in the first half of 2015. As at 30 June 2015, the property portfolio of the Group comprised 16 property development projects in various cities in the PRC. These projects are under various stages of development, with an aggregate GFA of approximately 2,166,982 sq.m., of which, approximately 1,186,649 sq.m. of the GFA was completed, approximately 583,089 sq.m. of the GFA was under development and approximately 397,244 sq.m. of the GFA was held for future development.

PROSPECTS

Looking ahead into the second half of 2015, the Chinese government is expected to actively promote the new norm of economic development featuring "stable growth and structural adjustments". Meanwhile, more loosening policies and financial stabilization measures will be introduced to secure the steady development of real estate market.

In the face of a temporary slowdown in real estate market, the Group will capitalize on the land investment opportunities arising from the favorable government policies and seek to actively develop new projects with good potential in diversified regions, whereby further expanding our commercial property business and enhancing the composition of our projects. The Group will particularly focus on developing commercial complexes specializing in the provision of household products and the provision of children, baby and maternity ("CBM") products.

The Company has established the platform in Shanghai for the development of our core CBM business and developed our first flagship store for CBM customers in Hangzhou, providing customers with premium household items, children's products and related comprehensive services. This unique business model will give us unparalleled competitive advantages and created ample room and great potential for our development.

The Group has established a sound and comprehensive management mechanism and stringent internal control. The Group will make continuous improvements to our development and execution capabilities to ensure the stable and healthy development of our businesses, boost our capital utilization efficiency and accomplish the preset targets for this year. It is expected that the Group will maintain stable business growth in 2015.

RESULTS OVERVIEW

Sale

During the Period, the total turnover of the Group amounted to approximately RMB973.8 million, representing an increase of approximately 11.2% as compared to approximately RMB875.8 million in the same period of last year. During the Period, the revenue from the sales of properties amounted to approximately RMB923.0 million, accounting for approximately 94.8% of our total revenue. During the Period , our aggregate contracted GFA was approximately 119,000 sq.m..

The following table sets forth the revenue classified by operating segment during the indicated period:

	As of 30 June			
	2015		2014	
	(RMB million)	***(%)***	*(RMB million)*	*(%)*
Sale of properties	**923.0**	**94.8**	830.9	94.9
Rental Income	**42.5**	**4.4**	36.7	4.2
Income of property management	**8.3**	**0.8**	8.2	0.9
Total revenue	**973.8**	**100%**	875.8	100%

Gross profit

During the Period, the gross profit amounted to approximately RMB256.8 million, representing a decrease of approximately RMB204.4 million or 44.3% as compared to RMB461.2 million in the same period of last year; the gross profit margin was approximately 26.4%, representing a decrease of approximately 26.3% as compared to approximately 52.7% in the same period of last year. It was mainly due to the cost of land acquisition for the three property projects, increased significantly during the period as compared to the same period of last year, which was mainly due to the higher land price of the Wenshang Times' projects in Taizhou at RMB6,990 per sq.m. as compared to RMB1,832 per sq.m. for Taizhou Xinming Peninsular. It is expected that the gross profit margin of the Group will maintain basically stable in the second half of 2015.

Other income and revenue

During the Period, other income and revenue amounted to approximately RMB0.4 million, representing a significant decrease of approximately RMB1.4 million or 77.8% as compared to approximately RMB1.8 million in the same period of last year, mainly due to the decrease of income from government subsidy.

Selling and administrative expense

During the Period, the selling and administrative expense amounted to approximately RMB81.5 million, representing a decrease of approximately RMB6.5 million or 7.4% as compared to approximately RMB88.0 million in the same period of last year. The proportion of selling and administrative expense to the sales dropped to approximately 8.4% from approximately 10.0% of the same period of last year, mainly due to the decrease of approximately RMB19.5 million from advertisement and market promotion expense as compared to the same period of last year. On the contrary, administrative expense increased by approximately RMB11.9 million as compared to the same period of last year, mainly due to the increase of approximately RMB6.5 million in employee benefit cost, increase of approximately RMB3.8 million in the adjustment of project water and electricity charge and increase of approximately RMB2.8 million in the listing preparation expense.

Operation profit

During the Period, the operation profit amounted to approximately RMB187.0 million, representing a decrease of approximately RMB187.7 million or approximately 50.1% as compared to approximately RMB374.7 million in the same period of last year.

Change in fair value of investment properties

During the Period, the change in fair value of investment properties amounted to approximately RMB13.8 million, representing an increase of approximately RMB7.3 million or 112.3% as compared to approximately RMB6.5 million in the same period of last year, mainly due to investment property evaluation appreciation of Wenshang Times • Red Star Macalline, Taizhou Xinming Property • Red Star Macalline and Xinming International Logistic Centre.

Net finance costs

During the Period, the net interest cost amounted to approximately RMB0.9 million, representing a decrease of approximately RMB0.6 million or approximately 40% as compared to approximately RMB1.5 million in the same period of last year, mainly due to the decrease of notional interest.

Income tax expenses

During the Period, the income tax expenses amounted to approximately RMB80.6 million, representing a decrease of approximately RMB79.0 million or approximately 49.5% as compared to approximately RMB159.6 million in the same period of last year, mainly due to the decrease in taxation payables and land value-added tax and the change in deferred income tax.

Profit attributable to the shareholders

During the Period, the profit attributable to the shareholders amounted to approximately RMB83.6 million, representing a decrease of approximately RMB142.6 million or approximately 63.0% as compared to approximately RMB226.2 million in the same period of last year. The basic earnings per share decreased from approximately RMB0.17 per share in the same period of last year to approximately RMB0.06 per share.

Business performance

The table below sets forth a summary of our selling property projects during the Period:

Selling of Properties

Project	**Location**	**Sale GFA** *(sq.m.)*	**Income** *(RMB million)*	**Average selling price** *(RMB/sq.m)*
Taizhou Xinming Peninsular				
Phase 1	Taizhou	783.0	1.8	2,235
Phase 2 — Stage 1	Taizhou	323.1	0.5	1,578
Phase 2 — Stage 2	Taizhou	1,651.4	7.3	4,451
Xinming Lijiang Garden	Taizhou	44,320.2	322.3	7,271
Wenshang Times • Xinming Household Decorations and Fittings City	Taizhou	10,630.6	182.6	17,173
Wenshang Times • Xinming Apartment	Taizhou	21,840.6	144.4	6,611
Chongqing Xinming • China South-western City Phase 1	Chongqing	38,153.5	254.8	6,679
Xingmeng International Commercial City	Tengzhou	1,282.1	9.3	7,277
Total		118,984.5	923.0	7,757

Land reserve

As at 30 June 2015, the saleable GFA remaining unsold and GFA held for investment of the Group was approximately 306,040 sq.m., while total GFA of land reserve attributed to the Group was 1,286,373 sq.m..

The table below sets forth a summary of our land reserve classified by geographical location as at 30 June 2015:

Location	Project number	Saleable GFA remaining unsold/GFA held for investment (sq.m)	GFA under development (sq.m)	Planned GFA for future development (sq.m)	Total land reserve (sq.m)	Proportion to the total land reserve (%)	Equity interest attributable to the Group (%)	Project type
Taizhou	10	241,467	–	68,204	309,671	24.1	100	Residential, commercial, storage
Shanghai	1	–	186,261	–	186,261	14.5	79	Commercial, office
Chongqing	3	6,344	233,901	221,176	461,421	35.8	60	Residential, commercial
Tengzhou	1	58,229	–	107,864	166,093	12.9	55	Residential, commercial
Hangzhou	1	–	162,927	–	162,927	12.7	100	Commercial
TOTAL	16	306,040	583,089	397,244	1,286,373	100.0		

Since the publication of prospectus on 23 June 2015, there was no material change of business development strategies of the Group in the future.

Cash flows

As at 30 June 2015, cash and bank deposits of the Group, including restricted cash, was approximately RMB181.4 million (31 December 2014: approximately RMB58.7 million), representing an increase of approximately RMB122.7 million or 209%, which was mainly due to the increase in bank loans. The Group was listed on The Stock Exchange of Hong Kong Limited on 6 July 2015 and the net proceeds raised from the issuance of shares was approximately HK$623 million.

During the Period, the net cash used in operating activities was approximately RMB425.8 million (six months ended 30 June 2014: net cash used of approximately RMB427.6 million). The net cash used in investing activities was approximately RMB0.4 million (six months ended 30 June 2014: net cash generated of approximately RMB3.0 million). The net cash generated from financing activities was approximately RMB566.7 million (six months ended 30 June 2014: net cash generated of approximately RMB432.7 million).

Pursuant to the exclusive management and operation agreement entered into between the Company's commercial properties with third party purchasers, the Company is required to pay certain percentages of the selling price of the property to the purchasers regardless whether such properties leased by the Group or were for generating rental income purpose. Based on the terms of the existing exclusive management and operation agreements and lease agreements as at 30 June 2015, we would have a maximum net cash outflow of approximately RMB35.7 million, RMB3.1 million, RMB15.4 million and RMB8.5 million for year 2015, 2017, 2018 and 2019, respectively, and net cash inflow of approximately RMB6.7 million for year 2016, for the period from 1 May 2015 to 30 June 2019 for such exclusive management and operation agreements we have entered into. We are not obliged to pay any agreed fees for the period from 1 July 2019 to 30 June 2024 under the exclusive management and operation agreements we had entered into as at 30 June 2015.

Mr. Lo Wa Kei, Roy, Mr. Fong Wo, Felix and Mr. Gu Jiong, the independent non-executive Directors, have discussed and reviewed the above disclosures in the meeting of the Audit Committee.

Trade receivables, prepayments, deposits and other receivables

As at 30 June 2015, the total assets of trade receivables, prepayments, deposits and other receivables of the Group was approximately RMB322.4 million, representing a decrease of approximately RMB408.7 million as compared to approximately RMB731.1 million as at 31 December 2014. The increase of approximately RMB6.5 million in the trade receivables was mainly due to the rental fee remedied by tenants to Wenshang Times • Red Star Macalline Household Products Market, Xinming International Household Products Mall and Xinming International Logistic Centre. Besides, guarantee deposit and tender bond increased by approximately RMB29.5 million. However, the prepayment for land use right decreased by approximately RMB501.0 million.

Trade payables, advances from customers and other payables

As at 30 June 2015, the total trade payables, advances from customers and other payables of the Group was approximately RMB1,364.6 million, representing a decrease of approximately RMB738.9 million as compared to approximately RMB2,103.5 million as at 31 December 2014. The decrease was mainly due to the decrease in advances from customers of approximately RMB737.9 million.

Assets and liabilities

As at 30 June 2015, the total assets of the Group was approximately RMB5,720.2 million, representing an increase of approximately RMB167.6 million as compared to RMB5,552.6 million as at 31 December 2014. The total current assets was approximately RMB3,766.6 million, representing approximately 65.8% (31 December 2014: approximately 64.7%) of the total assets, increased by approximately RMB173.1 million as compared to RMB3,593.5 million as at 31 December 2014. However, the total non-current assets was approximately RMB1,953.7 million, representing approximately 34.2% (31 December 2014: approximately 35.3%) of the total assets, decreased by approximately RMB5.4 million as compared to RMB1,959.1 million as at 31 December 2014.

As at 30 June 2015, the total liabilities of the Group was approximately RMB4,672.9 million, representing an increase of approximately RMB61.2 million as compared to RMB4,611.7 million as at 31 December 2014. The total current liabilities was approximately RMB2,092.6 million, representing approximately 44.8% (31 December 2014: approximately 66.5%) of the total liabilities, decreased by approximately RMB972.5 million as compared to approximately RMB3,065.1 million as at 31 December 2014. However, the total non-current liabilities was approximately RMB2,580.3 million, representing approximately 55.2% (31 December 2014: approximately 33.5%) of the total liabilities, increased by approximately RMB1,033.7 million as compared to RMB1,546.6 million as at 31 December 2014.

As at 30 June 2015, the net current assets of the Group was approximately RMB1,674.0 million, representing an increase of approximately RMB1,145.6 million as compared to approximately RMB528.4 million as at 31 December 2014.

Current ratio

As at 30 June 2015, the current ratio of the Group, being the ratio of the current assets divided by the current liabilities, was 1.8:1 (31 December 2014: 1.2:1).

Gearing ratio

As at 30 June 2015, the gearing ratio of the Group which is total bank borrowings and other borrowings as a percentage of total equity, was 231.1% (31 December 2014: 148.8%).

Borrowings

As at 30 June 2015, the total bank borrowings and other borrowings was approximately RMB2,420.7 million, representing an increase of approximately RMB1,020.7 million as compared to the approximately RMB1,400.0 million as at 31 December 2014.

The borrowings repayable within one year of the Group of approximately RMB85.0 million is the same as that of the end of 31 December of last year. Borrowings repayable within one year was approximately RMB2,335.7 million, representing an increase of approximately RMB1,020.7 million as compared to approximately RMB1,315.0 million as at 31 December 2014.

Significant matters

Except as disclosed in the Prospectus, the Company has no material and disclosable matters during the Period.

Contingent liabilities

As at 30 June 2015, the Group provided guarantees over the mortgage loans given by certain purchasers of approximately RMB30.4 million (31 December 2014: approximately RMB191.0 million).

Assets guarantees

As at 30 June 2015, the Group has pledged and restricted deposits in the bank deposits of approximately RMB0.5 million (31 December 2014: approximately RMB18.4 million). In addition, partial bank borrowings of the Group were secured by the Group's certain properties under development, investment properties and the 100% equity interest in certain subsidiaries of the Group, and jointly guaranteed by the controlling shareholder of the Group, Mr. Chen, the non-executive Director, Ms. Gao, the Group's related company, Xinming Group Limited, and other minority shareholders of certain subsidiaries of the Group free of charge. The guarantees provided by the controlling shareholder of the Group, Mr. Chen, and his respective close associates for the bank loans and other borrowings were discharged prior to the Listing by replacing such guarantees with the guarantee provided by the Group and/or financing from the independent third parties, including the bank loans.

Capital expenditure

During the Period, the Group's total capital expenditure was approximately RMB0.5 million, mainly included construction facilities expenses (for six months ended 30 June 2014: approximately RMB0.6 million).

Capital commitments

As at 30 June 2015, the capital commitments related to activities of properties under development was approximately RMB1,108.7 million (31 December 2014: approximately RMB731.0 million).

Exposure to exchange rate fluctuations

The Group operates mainly in RMB, and certain bank deposits of the Group are dominated in HK$. Save as disclosed above, the Group did not expose to any material exchange rate fluctuations risk and did not enter into foreign currency hedging policies. However, the Group will monitor closely to the exchange risk and may, as the case maybe and depending on the trend of foreign currency, consider to apply significant foreign currency hedging policies in the future.

Employees

As at 30 June 2015, the Group has a total of 456 employees (30 June 2014: total 455). The Group continue to promote the upgrading of talents, cultivating and recruiting excellent talents with sales and management experience, improving the allocation system of remuneration linked to performance and maintaining harmonious labor relations. The remuneration of employees of the Group will be based on their performance, experience and the prevailing market remuneration. The total remuneration of employees includes basic salaries and cash bonus. Moreover, the Group has also adopted a share option scheme.

Use of proceeds

The net proceeds of the Group raised from the initial public offering was approximately HK$623 million, after deducing the underwriting fees and commissions and other listing expenses. Net proceeds will be used according to the manner as set out in the section of “Future Plans and Use of Proceeds” in the Prospectus dated 23 June 2015 of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities since the Listing Date up to the date of this announcement.

CORPORATE GOVERNANCE

The Board is of opinion that the Company had adopted, applied and complied with the code provisions as set out in the Corporate Governance Code (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) since the Listing Date.

Upon review of the corporate governance practice of the Company, the Board believed that the Company has applied the principles in the CG Code and complied with the code provisions of the CG Code during the Period. None of the Directors was aware of any information that would reasonably indicate that the Company was during the Period incompliant with the code provisions of the CG Code, except for the deviations as follows:

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Chen is the chairman and the chief executive officer of the Company (“CEO”). The Group therefore did not separate the roles of the chairman and the CEO. The Board considered that Mr. Chen had in-depth knowledge and experience in the property investment and development industry and was the most appropriate person to manage the Group, therefore, the roles of chairman and CEO by the same individual, Mr. Chen, was beneficial to the business prospects and management of the Group.

Under code provision F.1.1 of the CG Code, the company secretary of a company should be an employee of the listed company and should have day–to–day knowledge of the Group’s affairs. Ms. Lam Yuen Ling Eva has been appointed as the company secretary of the Company and is delegated by an external service provider. The external service provider’s primary contact person in the Company is Mr. Zhou Yongkui, an executive Director. Therefore, the code provision F.1.1 of the CG Code is complied with.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct of dealings in securities of the Company by the Directors. Upon specific enquiries of all the Directors, each of them have confirmed that they complied with the required standards set out in the Model Code during the Relevant Period.

REVIEW OF INTERIM RESULTS

The audit committee of the Company (the "Audit Committee") which consists of three independent non-executive Directors, Mr. Lo Wa Kei, Roy (being the chairman of the Audit Committee), Mr. Gu Jiong and Mr. Fong Wo, Felix. The Company's unaudited condensed consolidated interim results and financial report for the Period have been reviewed by the Audit Committee.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.xinm.com.cn. The 2015 interim report will be dispatched to shareholders on or about 10 September 2015 and will be available on the above websites in due course.

By order of the Board
Xinming China Holdings Limited
Chen Chengshou
Chairman, Executive Director
and Chief Executive Officer

Hangzhou, the PRC
25 August 2015

As at the date of this announcement, the executive Directors are Mr. Chen Chengshou, Ms. Quan Xiaolin, Mr. Zhou Yongkui and Mr. Jin Zhanghai; the non-executive Director is Ms. Gao Qiaoqin; and the independent non-executive Directors are Mr. Gu Jiong, Mr. Lo Wa Kei, Roy and Mr. Fong Wo, Felix.