



QINGMEI GROUP HOLDINGS LIMITED

清美集團控股有限公司

(Incorporation in the Cayman Islands with registration number CT-230192)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2010

BOULTON CAPITAL ASIA PTE. LIMITED AND SAC CAPITAL PRIVATE LIMITED WERE THE JOINT ISSUE MANAGERS FOR THE INITIAL PUBLIC OFFERING OF QINGMEI GROUP HOLDINGS LIMITED (THE "COMPANY"). THIS ANNOUNCEMENT HAS BEEN PREPARED AND RELEASED BY THE COMPANY.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Group's statement of comprehensive income for the first quarter ended 30 September 2010

	Group		
	Three months ended		
	30.09.2010	30.09.2009	
	(Unaudited)	(Unaudited)	Change
	RMB'000	RMB'000	
Revenue	303,944	256,056	18.7%
Cost of sales	(215,842)	(177,160)	21.8%
Gross profit	88,102	78,896	11.7%
Other income and gains	7,167	237	2,924.1%
Selling and distribution expenses	(2,928)	(2,915)	0.4%
Administrative expenses	(7,780)	(6,527)	19.2%
Other expenses	(2,205)	(1,861)	18.5%
Finance costs	(1,245)	(1,143)	8.9%
Profit before income tax	81,111	66,687	21.6%
Income tax expense	(9,621)	(8,538)	12.7%
Profit for the period	71,490	58,149	22.9%
Other comprehensive income for the period	-	-	N/A
Total comprehensive income for the period	71,490	58,149	22.9%
Earnings per share			
- Basic (RMB cents)	11.2	12.1	
- Diluted (RMB cents)	N/A	N/A	

Notes:

1. The Company was incorporated in the Cayman Islands on 28 August 2009 under the Companies Law of the Cayman Islands as an exempted company with limited liability and was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 17 March 2010. The principal activity of the Company is an investment holding company.
2. On 3 March 2010, the Company completed its restructuring exercise as set out in the Company’s prospectus dated 8 March 2010 (the “Restructuring Exercise”) to rationalise the Group’s structure in preparation for the initial public offering of the Company’s shares on the Mainboard of the SGX-ST. Subsequently on 17 March 2010, the Company was admitted to the Official List of the SGX-ST.

The operations of the Company and its subsidiaries (collectively the “Group”) are carried out by Qingmei (China) Co., Ltd. (“Qingmei (PRC)”), a wholly foreign-owned enterprise, which was established with limited liabilities in the PRC on 29 April 2006. Since its incorporation, Qingmei (PRC) is indirectly wholly-owned by Qing Mei International Investment Limited (“Qingmei (BVI)”), a business company incorporated in the British Virgin Islands with limited liability. Pursuant to the Restructuring Exercise, the Company issued 480,000,000 shares to acquire the entire issued and paid up shares capital of Qingmei (BVI) and became the ultimate shareholder of Qingmei (PRC).

The Group is regarded as a continuing entity resulting from the Restructuring Exercise since the Company and Qingmei (BVI) were under common control before and immediately after the Restructuring Exercise. Consequently, immediately after the Restructuring Exercise, there was a continuation of the risks and benefits to the ultimate shareholders that existed prior to the Restructuring Exercise. Accordingly, the financial statements have been prepared as a reorganisation of business under common control as if the Restructuring Exercise was effective at the beginning of the earliest period presented.

Profit before income tax is determined after charging/(crediting) the following:

	Group		
	Three months ended		Change
	30.09.2010	30.09.2009	
	(Unaudited)	(Unaudited)	
	RMB'000	RMB'000	
Interest income	(258)	(77)	235.1%
Loss on disposals of property, plant and equipment	-	361	-100.0%
Interest on bank borrowings	1,245	1,143	8.9%
Exchange gains	(6,804)	-	N/A
Amortisation of land use rights	410	410	-
Depreciation of property, plant and equipment	11,035	7,418	48.8%

1(b)(i) Statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30.09.2010	30.06.2010	30.09.2010	30.06.2010
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	263,640	226,200	-	-
Land use rights	75,888	76,298	-	-
Deposits paid for land use rights	16,641	16,641	-	-
Investment in subsidiaries	-	-	515,849	515,849
	<u>356,169</u>	<u>319,139</u>	<u>515,849</u>	<u>515,849</u>
Current assets				
Inventories	50,870	50,721	-	-
Trade receivables	233,454	279,761	-	-
Other receivables and prepayments	3,464	5,270	-	-
Due from subsidiaries	-	-	305,729	305,939
Pledged bank deposits	-	3,103	-	-
Cash and cash equivalents	507,051	466,949	2,082	2,537
	<u>794,839</u>	<u>805,804</u>	<u>307,811</u>	<u>308,476</u>
Current liabilities				
Trade and bills payables	90,434	149,942	-	-
Other payables and accruals	61,517	47,973	2,901	2,134
Interest-bearing bank borrowings	88,500	87,620	-	-
Current income tax liabilities	15,621	15,962	-	-
	<u>256,072</u>	<u>301,497</u>	<u>2,901</u>	<u>2,134</u>
Net current assets	<u>538,767</u>	<u>504,307</u>	<u>304,910</u>	<u>306,342</u>
Net assets	<u>894,936</u>	<u>823,446</u>	<u>820,759</u>	<u>822,191</u>
EQUITY				
Equity attributable to the Company's owners				
Share capital	312,544	312,544	312,544	312,544
Reserves	582,392	510,902	508,215	509,647
Total equity	<u>894,936</u>	<u>823,446</u>	<u>820,759</u>	<u>822,191</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	Notes	Group	
		As at 30.09.2010 RMB'000 (Unaudited)	As at 30.06.2010 RMB'000 (Audited)
Amount repayable in one year or less, or on demand			
- Secured bank loans	(a)	50,000	42,620
- Secured bills payables	(b)	-	6,207
- Unsecured bank loans	(c)	38,500	45,000
		<u>88,500</u>	<u>93,827</u>

Details of any collateral:

- (a) As at 30 September 2010 and 30 June 2010, the Group's secured bank loans were secured by the Group's trade receivables of approximately RMB51.5 million and RMB43.8 million, respectively. Certain secured bank loans of approximately RMB10.0 million as at 30 June 2010 were supported by corporate guarantees executed by an independent third party.
- (b) As at 30 June 2010, the Group's bills payables amounted to approximately RMB6.2 million were secured by the Group's pledged bank deposits and guaranteed by an independent major customer. There was no bills payable as at 30 September 2010.
- (c) As at 30 September 2010 and 30 June 2010, the Group's unsecured bank loans amounted to approximately RMB38.5 million and RMB 45.0 million, respectively, were guaranteed by an independent third party.

1(c) A statement of the cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	Three months ended	
	30.09.2010	30.09.2009
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cash flows from operating activities		
Profit before income tax	81,111	66,687
Adjustments for:		
Interest income	(258)	(77)
Interest expense	1,245	1,143
Loss on disposals of property, plant and equipment	-	361
Depreciation of property, plant and equipment	11,035	7,418
Amortisation of land use rights	410	410
Operating profits before working capital changes	93,543	75,942
Decrease in trade receivables	46,307	16,538
Decrease/(increase) in other receivables and prepayments	1,806	(1,620)
Decrease in inventories	(149)	(11,204)
Decrease in trade and bills payables	(59,508)	(24,769)
Increase/(decrease) in other payables and accruals	13,544	(10,357)
Cash generated from operations	95,543	44,530
Income tax paid	(9,962)	(11,177)
Net cash generated from operating activities	85,581	33,353
Cash flows from investing activities		
Interest received	258	77
Decrease in pledged bank deposits	3,103	7,159
Deposits paid for land use rights	-	(3,356)
Payment for purchases of property, plant and equipment	(48,475)	(962)
Net cash (used in)/generated from investing activities	(45,114)	2,918
Cash flows from financing activities		
New bank borrowings	27,380	45,000
Repayment of bank borrowings	(26,500)	(48,000)
Dividends paid	-	(40,850)
Capital contribution from a shareholder	-	40,541
Interest paid	(1,245)	(1,143)
Net cash used in financing activities	(365)	(4,452)
Net increase in cash and cash equivalents	40,102	31,819
Cash and cash equivalents at beginning of financial period	466,949	16,135
Cash and cash equivalents at end of financial period	507,051	47,954

1(d)(i) A statement of (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

GROUP	Issued capital	Share premium	Capital reserves	Exchange reserve	Statutory reserve	Proposed final dividend	Retained profits	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 July 2009	234,192	-	(176,968)	2	35,766	-	204,568	297,560
Capital contribution from a shareholder	-	-	40,541	-	-	-	-	40,541
Dividends	-	-	-	-	-	-	(50,000)	(50,000)
Transaction with owners	-	-	40,541	-	-	-	(50,000)	(9,459)
Total comprehensive income for the period	-	-	-	-	-	-	58,149	58,149
Appropriation to statutory reserve	-	-	-	-	5,981	-	(5,981)	-
At 30 September 2009	234,192	-	(136,427)	2	41,747	-	206,736	346,250
Balance at 1 July 2010	312,544	147,595	(77,023)	2	63,362	75,000	301,966	823,446
Total comprehensive income for the period	-	-	-	-	-	-	71,490	71,490
Appropriation to statutory reserve	-	-	-	-	6,723	-	(6,723)	-
At 30 September 2010	312,544	147,595	(77,023)	2	70,085	75,000	366,733	894,936

COMPANY	Issued capital	Share premium	Contributed surplus	Proposed final dividend	Retained profits	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 28 August 2009 (date of incorporation)	234,192	-	281,657	-	-	515,849
Total comprehensive income for the period	-	-	-	-	-	-
At 30 September 2009	234,192	-	281,657	-	-	515,849
Balance at 1 July 2010	312,544	147,595	281,657	75,000	5,395	822,191
Total comprehensive income for the period	-	-	-	-	(1,432)	(1,432)
At 30 September 2010	312,544	147,595	281,657	75,000	3,963	820,759

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

There were no changes in the Company's share capital for the three months ended 30 September 2010.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

Company	As at 30.09.2010	As at 30.06.2010
Total number of issued shares	640,000,000	640,000,000
Less: Treasury shares	<u>-</u>	<u>-</u>
Total number of issued share capital excluding treasury shares	<u>640,000,000</u>	<u>640,000,000</u>

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable. As at end of the current financial period reported, the Company did not have any treasury shares.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice**

The figures have neither been audited nor reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has adopted the same accounting policies and methods of computation as stated in the audited financial statements of the Group for the year ended 30 June 2010, except for the adoption of the new and amended International Financial Reporting Standards ("IFRSs") which became effective on 1 July 2010. The adoption of these IFRSs did not give rise to significant changes in the Group's financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	Three months ended	
	30.09.2010	30.09.2009
	(Unaudited)	(Unaudited)
Earnings per share		
Basic (RMB cents)	11.2	12.1
Diluted (RMB cents)	N/A	N/A

The calculation of basic earnings per share is computed on the profit attributable to the equity holders of the Company, divided by the weighted average number of 640,000,000 ordinary shares in issue for the three months ended 30 September 2010 (the pre-invitation number of 480,000,000 shares for the three months ended 30 September 2009).

There were no potential ordinary shares in existence for the three months and period ended 30 September 2009 and 30 September 2010 and accordingly, no diluted earnings per share has been presented.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year**

	Group		Company	
	30.09.2010	30.06.2010	30.09.2010	30.06.2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net asset value per share (RMB)	1.398	1.287	1.282	1.285

Net asset value per ordinary share of the Group/Company is calculated based on the shareholders' equity of the Group as at the end of financial period divided by the number of ordinary shares of 640,000,000 in issue as at 30 September 2010 and 30 June 2010.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (i) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (ii) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

(A) REVIEW OF OPERATING PERFORMANCE

	Group		
	Three months ended		
	30.09.2010	30.09.2009	
	(Unaudited)	(Unaudited)	Change
	RMB'000	RMB'000	
<u>Revenue</u>			
MD II shoe soles ("MD II")	197,466	132,038	49.6%
MD I shoe soles ("MD I")	95,908	112,314	-14.6%
RB shoe soles ("RB")	10,570	11,704	-9.7%
Total	303,944	256,056	18.7%

(A) REVIEW OF OPERATING PERFORMANCE (CONTINUED)

	Group		
	Three months ended		
	30.09.2010	30.09.2009	
	(Unaudited)	(Unaudited)	Change
	Total units sold '000	Total units sold '000	
<u>Sales quantity</u>			
MD II shoe soles	6,598	4,532	45.6%
MD I shoe soles	3,552	4,446	-20.1%
RB shoe soles	880	1,015	-13.3%
Total	11,030	9,993	10.4%

Revenue, Gross Profit and Gross Profit Margin

Our revenue increased by approximately 18.7% or RMB47.8 million from RMB256.1 million for the three months ended 30 September 2009 ("1QFY10") to RMB303.9 million for the three months ended 30 September 2010 ("1QFY11"). This was mainly due to the increase of in quantity of shoe soles delivered from 10.0 million pairs to 11.0 million pairs. For the period under review, our revenue from MD II grew by 49.6%, whereas our revenue from MD I and RB decreased by 14.6% and 9.7% respectively. There has been a continuous shift of demand for our MD II shoe soles over our MD I shoe soles due to the greater versatility in designs and functionalities offered by MD II.

Gross profit increased by approximately 11.7% or RMB9.2 million from RMB78.9 million for 1QFY10 to RMB88.1 million for 1QFY11. The increase of 11.7% in gross profit was lower than the increase in revenue due mainly to a higher increase in cost of sales of 21.8%. As a result of the increase in labour costs of approximately 10% and materials costs of approximately 8% for the period under review, our gross profit margin decreased 1.8 points from 30.8% for 1QFY2010 to 29.0% for 1QFY2011.

Other income and gains

Other income and gains increased by 2,924.1% or RMB7.0 million from RMB0.2 million for 1QFY10 to RMB7.2 million for 1QFY11. The increase was mainly attributable to realised exchange gains amounted to approximately RMB1 million and unrealised exchange gains amounted to RMB5.8 million for 1QFY11 on the Group's outstanding bank deposits in Singapore Dollar as the Singapore Dollar continued to appreciate against the Renminbi during the period under review.

Selling and distribution expenses

The increase of selling and distribution expenses for 1QFY11 was not significant as compared with 1QFY10.

Administrative expenses

Administrative expenses increased by approximately 19.2% or RMB1.3 million from RMB6.5 million for 1QFY10 to RMB7.8 million for 1QFY11. This was a result of increases in (i) professional fee by RMB0.6 million and (ii) salaries and related welfare expenses of our administrative personnel, travelling expenses collectively by RMB0.7 million since the listing of the Group as well as the expansion of the Group's operation.

Other expenses

Other expenses increased by approximately 18.5% or RMB0.3 million from RMB1.9 million for 1QFY10 to RMB2.2 million for 1QFY11, was mainly attributable to increase in research expenses for the development of new materials for the production of shoe soles during the period under review.

Finance costs

Finance costs increased by approximately 8.9% or RMB0.1 million from RMB1.1 million for 1QFY10 to RMB1.2 million for 1QFY11, mainly due to an increase in the average bank borrowings during the period under review.

Depreciation

Depreciation increased by approximately 48.8% or RMB3.6 million from RMB7.4 million for 1QFY10 to RMB11.0 million for 1QFY11. The increase was mainly due to the purchase of moulds for production in line with the expansion of our production scale during the period under review.

Taxation

Income tax

The income tax expenses mainly comprised of the Enterprise Income Tax ("EIT") of the PRC on profits for the Group's major operating subsidiary in the PRC, namely Qingmei (PRC). Being a wholly-foreign owned enterprise, it enjoyed a preferential tax treatment of a two-year tax exemption, followed by a three-year 50% reduced tax rate to the prevailing current EIT of 25.0% for the three calendar years commencing from calendar year 2007. The applicable tax rate for FY2010 and FY2011 is 12.5%.

Net profit attributed to shareholders

As a result of the above, our net profit increased approximately 22.9% or RMB13.3 million from RMB58.2 million for 1QFY10 to RMB71.5 million for 1QFY11.

(B) REVIEW OF FINANCIAL POSITION AND CASH FLOWS

Property, plant and equipment increased by approximately 16.6% or RMB37.4 million to RMB263.6 million as at 30 September 2010, compared with RMB226.2 million as at 30 June 2010. The increase in property, plant and equipment was due to the increase in the additions to construction in progress in related to new production facilities of RMB30.5 million and the purchase of plant and machinery which mainly related to moulds for production of RMB18.0 million, offset by the charge of depreciation expenses of RMB11.1 million.

Trade receivables decreased by approximately 16.6% or RMB46.3 million to RMB233.5 million as at 30 September 2010, compared with RMB279.8 million as at 30 June 2010 as a result of the faster settlement of receivables from our customers.

Other receivables and prepayments decreased by approximately 34.3% or RMB1.8 million to RMB3.5 million as at 30 September 2010, compared with RMB5.3 million as at 30 June 2010 as a result of the amortisation of the prepayment for research expenses amounted to RMB2.2 million, offset by the increase in prepayment for insurance.

Pledged bank deposits were mainly used as security for bills payables to banks. The Group released all pledged bank deposit as at 30 September 2010, compared with RMB3.1 million as at 30 June 2010 since all outstanding bills payables were settled before the end of 1QFY11.

Trade and bills payables decreased by approximately 39.7% or RMB59.5 million to RMB90.4 million as at 30 June 2010, compared with RMB149.9 million as at 30 September 2009 as a result of the settlement of all bills payables amounted to RMB6.2 million outstanding at 30 June 2010 and the improvement of cash flows from the faster settlement of accounts receivables.

Other payables and accruals increased by approximately 28.2% or RMB13.5 million to RMB61.5 million as at 30 September 2010, compared with RMB48.0 million as at 30 June 2010. The increase was mainly attributable to the increase in other payables on the purchase of additional moulds for new models of our products which will be released for the coming spring-summer season.

Short-term bank borrowings increased slightly by approximately 1.0% or RMB0.9 million and the increase was insignificant.

Cash and cash equivalents increased by approximately 8.6% or RMB40.1 million to RMB507.1 million as at 30 September 2010, compared with RMB466.9 million as at 30 June 2010. The increase was due mainly to the net increase in cash generated from the operating activities during the period under review.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The Company was listed on the Mainboard of SGX-ST on 17 March 2010 and raised net proceeds of approximately S\$44.1 million. The Company will continue to pursue our business strategies and future plans as set out in the Company's prospectus dated 8 March 2010.

The Group plans to utilize approximately RMB82.9 million for the construction and building costs of the new production facility and staff hostel, approximately RMB61.1 million for the acquisition of additional production equipment and machinery for the first and second stage installment and approximately RMB52.0 million for the construction of building facilities for setting up of a dedicated self-contained research and development centre on our existing site and for the purchase of the necessary equipment and machinery for research and testing purposes.

Construction work for the new production facility and self-contained research and development centre commenced since 2 April 2010 and a total of RMB80.5 million has been paid as deposits for the construction and accounted for construction. Two new research projects for the development of new materials for the production of shoe soles commenced in 4QFY10. The total estimated costs for the research projected are approximately RMB8.8 million and half of the research costs has been paid out.

Due to bad weather conditions which caused certain delays on our construction works, completion of the construction of the new facilities and first stage installation is pushed backward and is expected to be completed by end of December 2010. Barring any other unforeseen delays or circumstances, second stage installation will commence six months thereafter. Upon completion of the new production facilities, we expect to increase our maximum production capacity per annum to approximately 65.0 million pairs of sports shoe soles after first stage installation and to approximately 84.0 million pairs of sports shoes soles after the second stage installation.

The following table details the utilisation of IPO proceeds up as at 30 September 2010:

Intended use	Amount Allocated (RMB million)	Amount Utilised (RMB million)	Balance Amount (RMB million)
Expansion of production capacity, including the purchase of new equipment and machineries, the construction of new building facilities to house them, the construction of new building facilities for our administrative functions and a staff hostel	144.0	65.0	79.0
To set up a dedicated self-contained research and development centre	52.0	15.5	36.5
Research and development purposes	15.0	4.4	10.6
General working capital	0.6	-	0.6
Total	211.6	84.9	126.7

In view of the implementation of minimum wages by local governments, labour costs have inevitably increased. To this end, although direct labour costs have increased, the negative effect has less impact on our cost of sales. Cost savings enjoyed due to economies of scale, especially the reduction in the average cost per unit for depreciation, amortisation, product design and development cost as a result of substantial increase in production volume have more than offset any increase in direct labour costs.

Notwithstanding the trend of rising labour costs or any other increase in cost of sales, we believe that the expanded capacities and strong customer base will support our revenue and profit growth and lay a strong foundation for our long term growth.

11. Dividend

(a) Current Financial Period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial Year

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

(e) Other comments relating to Dividend

None

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared or recommended for the period ended 30 September 2010.

13. Interested Person Transactions

None

BY ORDER OF THE BOARD

Qingmei Group Holdings Limited

Su Qingyuan

Executive Chairman and Chief Executive Officer

Date: 13 November 2010

Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

We, Su Qingyuan and Su Shubiao being two directors of Qingmei Group Holdings Limited (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial statements for the first quarter ended 30 September 2010 to be false or misleading.

BY ORDER OF THE BOARD

Qingmei Group Holdings Limited

Name: Su Qingyuan
Executive Chairman

Name: Su Shubiao
Executive Director

Date: 13 November 2010

Boulton Capital Asia Pte. Limited and SAC Capital Private Limited were the joint issue managers for the initial public offering of Qingmei Group Holdings Limited (the “Company”). This announcement has been prepared and released by the Company.