

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer			
1 Issuer's name China Xiniya Fashion Limited		2 Issuer's employer identification number (EIN) N/A	
3 Name of contact for additional information Chee Jiong Ng (CFO)	4 Telephone No. of contact +86 136 5593 9932	5 Email address of contact ngcheejiong@xiniya.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2nd Floor, 90 An Ling Er Road		7 City, town, or post office, state, and Zip code of contact Xiamen City, Fujian Province 361010	
8 Date of action December 18, 2014		9 Classification and description American Depositary Shares	
10 CUSIP number 16950W113	11 Serial number(s) N/A	12 Ticker symbol XNY	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On December 18, 2014, China Xiniya Fashion Limited ("XNY") changed the ratio of its ordinary shares to American Depositary Shares ("ADSs") from 4 to 1 to 16 to 1 (the "Ratio Change"). The Ratio Change had the same effect as a one-for-four ADS consolidation. ADS holders were entitled to cash in lieu of fractional ADS entitlements resulting from the Ratio Change. There was no change to XNY's underlying ordinary shares.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **It is unclear whether the Ratio Change constituted an exchange of interests in XNY for U.S. federal income tax purposes. If the Ratio Change did constitute an exchange, and although no U.S. federal income tax opinion was obtained in connection with the Ratio Change, the Ratio Change should have been treated as an exchange of 4 ADSs for 1 ADS that qualified as a recapitalization within the meaning of Section 368(a)(1)(E) of the U.S. Internal Revenue Code (the "Code"). Accordingly, under Section 354(a) of the Code, an ADS holder would not have recognized gain or loss upon the exchange of its ADSs (except potentially with respect to fractional ADSs, as discussed below), and under Section 358(a) of the Code, an ADS holder's aggregate tax basis in the ADSs received (including any fractional ADSs) should have equaled the aggregate tax basis in its original ADSs. As a result, for an ADS holder that was not deemed to receive any fractional ADSs, the basis of one ADS following the Ratio Change should have equaled 400% of the basis of one ADS immediately prior to the Ratio Change.**

An ADS holder that was entitled to receive cash in lieu of a fractional ADS may be treated as having received such ADS and then as having surrendered such ADS in a redemption by XNY (Text continued in Attachment 1)

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Because the Ratio Change should have been treated as an exchange of 4 ADSs for 1 ADS, as described above, the basis of one ADS following the Ratio Change should have equaled 400% of the basis of one ADS immediately prior to the Ratio Change.**

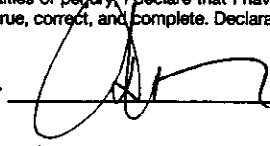
Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sections 368(a)(1)(E), 354(a) and 358(a).

18 Can any resulting loss be recognized? ▶ As described in Item 15, an ADS holder that was entitled to cash in lieu of a fractional ADS could have recognized loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable taxable year for the Ratio Change was 2014.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶  Date ▶ January 7, 2015

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Form 8937

Attachment 1

Part II, Item 15 (continued):

If an ADS holder's fractional ADSs were so treated, the amount of any gain or loss recognized as a result of such redemption would have been equal to the difference between the ratable portion of the holder's tax basis in the original ADSs allocated to such fractional ADS and any cash received in lieu thereof. This would have resulted in the utilization of such allocable basis and would have had the effect of reducing the holder's aggregate basis in the ADSs retained following the Ratio Change. ADS holders that were entitled to receive cash in lieu of fractional ADSs should consult their tax advisors regarding the treatment of such fractional ADSs and their basis in their remaining ADSs.

If an ADS holder had differing tax bases with respect to its ADSs prior to the Ratio Change, the ADS holder should consult its tax advisor to identify the tax bases of the ADSs it holds following the Ratio Change.

All holders of ADSs should consult their tax advisors regarding the U.S. federal and any other tax consequences of the Ratio Change to them, as well as the consequences of owning ADSs.