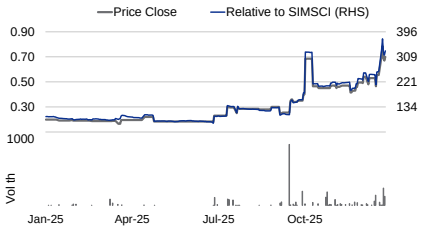
Singapore



NON RATED

Current price:	S$0.70
Consensus Tgt Price:	S$
Up/downside:	N/A
	Tp:
Reuters:	FXCG.SI
Bloomberg:	FUXC SP
Market cap:	US$21.17m
	S$27.27m
Average daily turnover:	US$0.01m
	S$0.01m
Current shares o/s:	20.21m
Free float:	48.3%



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	52.2	100.0	251.8
Relative (%)	47.9	97.0	230.3

Major shareholders	% held
Hong Qing Liang	49.8

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Analyst(s)



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Fuxing China Group Limited

Integrated zipper manufacturer

- We visited Fuxing China Group Ltd's (Fuxing) facilities in China, Jinjiang City, Fujian Province over 12-13 Jan 2026.
- With expectations of renewed investor interest in small caps on SGX, Fuxing has called off its Nasdaq-listing plan.
- On 12 Nov 2025, Fuxing completed a placement of 3m new shares at S$0.415 apiece.
- As at 15 Jan 2026, Fuxing trades at an 89% discount to its FY24 book value.

Second generation helming the company

Fuxing is a China-based zipper manufacturer that was listed on the SGX in 2007 (the company was established in 1993). Co-founder Mr Hong Qing Liang has successfully passed over the reins to his son, Mr Hong Shao Lin, who is now the Chief Executive Officer. Under Shao Lin, the company has modernised its production facilities and lowered its dependence on labour (Fuxing had 1,120 production staff as at end-Dec 24 compared to 1,860 in FY04). The group is highly vertically integrated and has approved electroplating facilities. Fuxing's zipper products consist mainly of zipper sliders and zipper chains which are widely used in apparel (including sportswear) and bags amongst others. Its products are sold mainly to China local manufacturers. Fuxing also offers zipper processing services, including colour dyeing of fabric tapes for zippers, electroplating services for zipper sliders as well as manufacturing and sales of dyed yarn. As at end Dec 24, Fuxing has a base of more than 1,600 customers and counts brands such as Anta, Septwolves, LiNing, 361° and Samsonite as its key customers.

Management notes the need to improve financial performance

According to management, despite the current uncertain economic conditions, the group aims to become one of the leading zipper product manufacturers in China and will focus on the product quality and innovation (Fuxing registered 93 patents in China as at end-Dec 24). Management expects capex to moderate as the bulk of its automation-related capex has been completed. Noting its low gross margin, management intends to explore ways to improve this via efforts such as introducing new innovative products and trying to increase its direct sales to its customers. According to management, the group will focus its efforts on improving its financials, building on the Rmb0.70m net profit achieved in FY24. Noting its slight Rmb4m net cash position as at end Jun-25 and possibly lower capex needs in FY25-27, management said it may also propose that the board evaluate the merits of a dividend payment/dividend policy establishment as Fuxing last paid dividends in FY08-11.

Trading at a 89% discount to its FY24 book value

Based on the closing price of S$0.70 on 16 Jan 2026, Fuxing trades at FY24 P/BV of 0.11x, an 89% discount to its book value. Fuxing managed to achieve a small Rmb0.70m net profit in FY24 compared to a loss of Rmb11.0m in FY23. Net gearing has also decreased to 0.06x at end-FY24 and as at end-Jun 25, Fuxing has a slight net cash of Rmb4.0m.

Financial summary	Dec-20A	Dec-21A	Dec-22A	Dec-23A	Dec-24A
Revenue (Rmbm)	697.91	766.35	841.13	761.77	735.87
Net profit (Rmbm)	-148.06	57.85	26.62	-11.03	0.70
EPS (Rmb)	-8.61	3.36	1.55	-0.64	0.04
EPS Growth	278.7%	na	-53.9%	na	na
P/E (x)	-0.44	1.13	2.45	loss	94.85
Price To sales (x)	0.09	0.09	0.08	0.09	0.09
DPS (Rmb)	0.00	0.00	0.00	0.00	0.00
Dividend Yield	na	na	na	na	na
Net gearing (x)	0.13	0.20	0.18	0.17	0.06
BVPS (Rmb)	28.10	31.70	32.50	33.30	33.20
P/BV (x)	0.14	0.12	0.12	0.11	0.11
Average ROE	loss	11.2%	4.8%	loss	0.1%

SOURCES: CGSI RESEARCH, COMPANY REPORTS

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Integrated zipper manufacturer

Company description

Fuxing was established in 1993. Its proprietary “3F” brand has been named the “Symbolic Brand of China” by the First Chinese Well-Known Brand Conference in 2006 and “PRC Top 10 Famous Zipper Brands” by the Hardware Association of the PRC in 2005.

In recognition of its quality assurance efforts, its subsidiary, Fookhing Zipper (unlisted), was awarded the GB/T 19001-2016/ISO 9001:2015 Quality Management System Certificate by the World Standards for Certification Center Inc (WSF), a third-party certification body headquartered in China. Fookhing Zipper was also awarded the GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management System Certificate and GB/T 24001-2016/ISO 14001:2015 Environmental Management System Certificate by WSF.

In addition, Fookhing Zipper holds the GRS Certificate (GRS 4.0) certifying that its products passed the Global Recycled Standard 4.0, issued by Intertek, a multinational assurance, inspection, product testing and certification company headquartered in London, England. Fookhing Zipper is authorised to use the label “STANDARD 100 by OEKO-TEX®”, on its zipper products, which is one of the world’s best-known labels for textiles tested for harmful substances, issued by the International Association for Research and Testing in the Field of Textile and Leather Ecology, headquartered in Zurich, Switzerland.

Through its operating subsidiaries in mainland China and Hong Kong, Fuxing produces and sells zipper sliders and zipper chains, trades textile raw materials and auxiliary materials used in zipper production as well as provides zipper processing services.

Fuxing’s zipper products consist mainly of zipper sliders and zipper chains which are widely used in apparel (including sportswear), shoes, camping equipment, bags, such as handbags, briefcases, luggage and laptop bags, and upholstery furnishings, such as bedding and sofa covers. Its products are sold mainly to China local manufacturers of apparel and footwear products, camping equipment, bags, manufacturers of upholstery furnishings, as well as other zipper manufacturers which further process or assemble its zipper products in order to customise these according to their customers’ needs.

Its operating subsidiary, Fook Hing Trading in Hong Kong, is primarily engaged in the trading of textile raw and auxiliary materials, including rubber thread, nylon fabric and nylon yarn. Other subsidiaries, Fulong Zipper, Fuxin Electroplating and Jianxin Weaving, provide zipper processing services, including colour dyeing of fabric tapes for zippers, electroplating services for zipper sliders and manufacturing and sales of dyed yarn.

Its manufacturing facilities located in Jinjiang City, Fujian Province, China are able to manufacture the entire zipper product from mould-making for the production of the zipper sliders to the manufacturing of fabric tape for zipper chains. Its range of manufacturing machinery also enables Fuxing to produce zipper chains and zipper sliders using a wide range of materials, colours and sizes in accordance with customers’ requirements. Fuxing procures most of its raw materials from suppliers located in the Fujian Province.

Fuxing also has its own "3F" brand name zipper products and sells to trading companies which export its zipper products to overseas markets, including Australia, European countries, such as Russia, Turkey, Spain, Italy, Poland, Belgium, Greece, Slovenia and Lithuania, and Asian countries, such as South Korea, Thailand, Vietnam and Indonesia.

As at 31 Dec 2024, the group has registered 93 patents with the China National Intellectual Property Administration in the PRC and was also awarded the "New and High Technology Enterprise" by Fujian Provincial Government.

Figure 1: Fuxing's key customers as at end-Dec 2024



SOURCES: COMPANY REPORTS

Figure 2: Key awards won by Fuxing as at end-Dec 2024



SOURCES: COMPANY REPORTS

Figure 3: 5G enabled factory, supported by solar panels for sustainability – as at 13 Jan 2026



SOURCES: CGSI RESEARCH, COMPANY REPORTS

Key revenue and gross profit drivers

Fuxing's Zipper segment is sub-divided into i) Zipper chains (a zipper chain consists of 2 strips of fabric tapes, with parallel rows of specially shaped nylon, metal or plastic teeth, as the case may be, either weaved on or punched onto adjacent edges of a fabric tape, thereby interlocking with each other to provide a firm grip and resulting in a zipper chain), and ii) Zipper sliders (a zipper slider consists of a zinc zipper head and zipper pull tab which is subsequently affixed on the zipper chain, such that it moves along the rows of teeth, allowing the teeth to be fastened or separated, depending on the direction of the movement). Processing represents colour dyeing of fabric tapes for zippers, electroplating services for zipper sliders and manufacturing and sales of dyed yarn. The trading segment represents trading of raw materials, including rubber thread, nylon fabric and nylon yarn.

In FY24, the Zipper segment accounted for 63% of Fuxing's revenue, its Processing segment accounted for 29% of revenue and the remaining 8% of revenue was contributed by its Trading segment. In terms of gross profit breakdown by segment in FY24, Zipper accounted for 86%, Processing 13% and Trading 1%. Zipper generated the highest gross margin (8%) in FY24, followed by Processing (3%) and Trading (1%).

Historical 5-year financial highlights

Key highlights of Fuxing's past 5 years (2020-24) financial performance are:

a. Revenue: revenue grew from Rmb698m in FY20 to a high of Rmb841m in FY22 before declining to Rmb762m in FY23 and Rmb736m in FY24. According to management, the increase in revenue in FY22 was due to the efforts of its sales department which successfully increased its customer base, and the improvement of its product quality after automation was instituted. The revenue decline in FY23 and FY24 was due to the weaker Chinese economy which resulted in lower demand from customers.

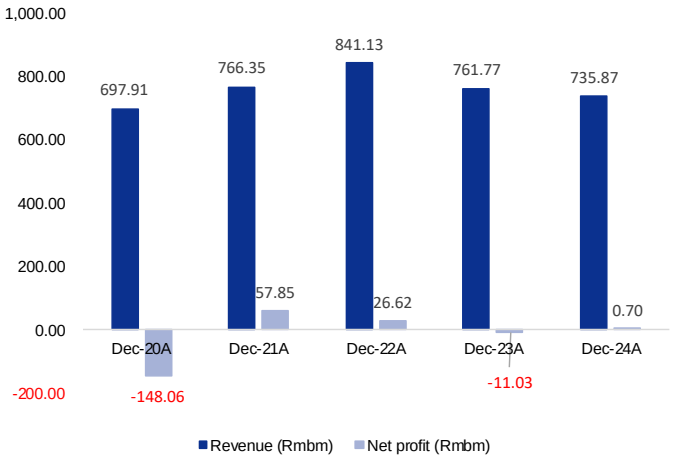
b. Net profit: Fuxing reported a net loss of Rmb148m in FY20 due to fair value loss from the revaluation of its investment property, foreign exchange losses and bad debt provision as some customers had requested for an extended credit period.

c. Gross margin: other than in FY20, Fuxing's gross margin was relatively stable within a 6.0-7.0% range over FY22-24. The higher 9.2% gross margin in FY21 was due to customers diverting their orders to China due to the then Covid-19 situation in Vietnam and India.

d. Net gearing: net gearing decreased from 0.20x at end-FY20 to 0.06x at end-FY24 as proceeds from its disposal of its Xiamen headquarters were used to pare down borrowings.

e. Capex: capex reached an all-time peak of Rmb133m in FY21 as Fuxing automated its production facilities and replaced old equipment with new machineries.

Figure 4: Historical revenue and net profit trend (Rmbm)



SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 5: Gross profit and gross margin trend

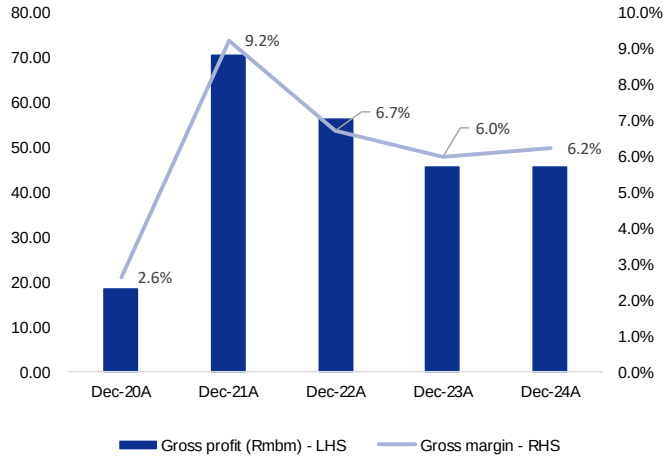


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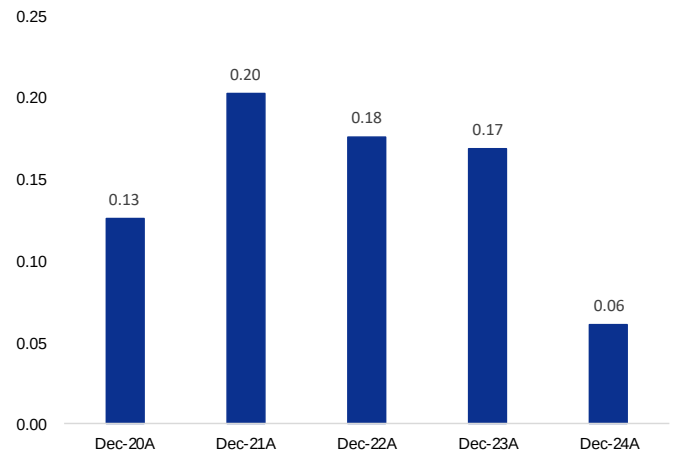
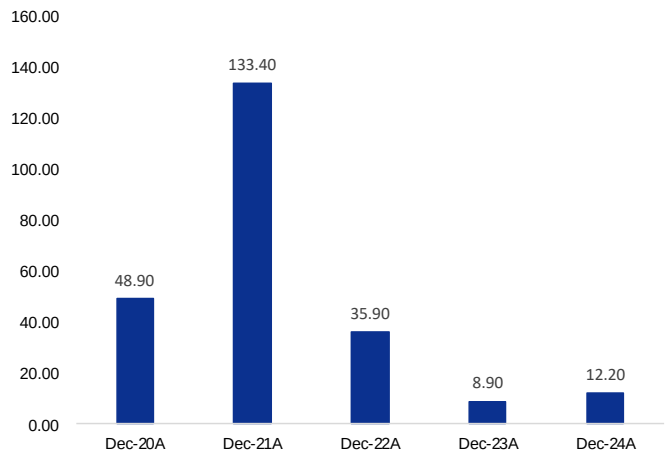
Figure 6: Net gearing trend (x)



SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 7: Capex trend (Rmbm)



SOURCES: CGSI RESEARCH, COMPANY REPORTS

1H25 performance

1H25 revenue slipped 1.2% yoy to Rmb335m due mainly to the decrease in sales orders for finished zippers from customers. Net loss in 1H25 was Rmb9.6m due mainly to foreign exchange loss and an increase in personnel costs. As at end-Jun 2025, Fuxing was in a slight net cash position of Rmb4.0m. No interim dividend was declared.

Outlook

In its 1H25 results commentary, Fuxing guided that it expects its next 12 months performance should continue to be impacted by high production costs, razor-thin gross margin and uncertain customer demand amidst China's challenging economic growth outlook. It said the group is not directly impacted by the tariffs announced by the US on imports from China as it sells to domestic China companies. According to management, as at end-Jun 2025 , none of its customers have asked for further price reductions as the group's pricing is already highly competitive, leaving minimal room for further price concessions. In order to navigate through the challenging business environment, management intends to focus on marketing to expand its customer base. At the same time, management will also be vigilant in managing its expenses and monitoring its receivables and collections closely to minimise bad debts.

SWOT analysis

Figure 8: SWOT analysis

Strengths	Opportunities
1. According to Euromonitor (2023 edition), Fuxing was the 4th largest zipper producer in China by revenue. 2. Fuxing is vertically integrated, offering zipper production and processing services such as colour dyeing of fabric tapes for zippers and electroplating services for zipper sliders.	1. According to the Euromonitor Report (2023 edition), the global apparel market is expected to further recover from the Covid-19 pandemic and grow at a CAGR of 4.9% over 2023-2027. 2. According to the Euromonitor Report (2023 edition), the apparel market in mainland China is expected to maintain steady growth over 2023-27 at a CAGR of 4.3%. According to Euromonitor, the sportswear category is projected to experience substantial growth, with an anticipated CAGR of 8.7% in terms of retail sales value over the next five years.
Weaknesses	**Threats**
1. Dependence on its major customers (5 customers accounted for 69% of its trade receivables in FY24). 2. Fuxing's revenue is mainly generated on an order-by-order basis as its existing customers do not generally enter into long-term contracts. Fuxing usually receive orders from customers one to two weeks prior to the date of delivery. As such, the group may not experience a continuous and steady source of revenue generated from its business.	1. Fuxing operates in a competitive environment subject to competition from existing players and new market entrants. Some of its peers have substantially greater financial, technical and marketing positions, enjoy stronger relationships with their suppliers than Fuxing and may engage in aggressive pricing strategies to increase their market share. 2. Fuxing's principal manufacturing location is in Jinjiang City, Fujian Province, China. Any disaster or disruption in the infrastructure that supports its business there will have a material adverse impact on its ability to continue its operations.

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 9: Fuxing compared to its China peers

Company	Fuxing China Group Ltd	Zhejiang Weixing Industrial Development	Fujian SBS Zipper Science
Ticker	FUXC SP	002003 CH	002098 CH
FYE	Dec-24	Dec-24	Dec-24
Market cap (S$m)	14.1	2,268.1	680.3
Revenue (S$m)	135.8	862.4	485.1
Net profit (S$m)	0.1	129.2	37.3
Gross margin	6.2%	41.7%	33.4%
Net margin	0.9%	15.0%	7.7%
Gearing	net gearing	net cash	net cash
Return on assets	1.4%	11.4%	10.2%
Return on equity	0.1%	16.1%	16.4%
P/E(x)	94.9	17.2	18.3
P/BV (x)	0.1	2.8	2.8
Div yield	0.0%	4.8%	0.9%

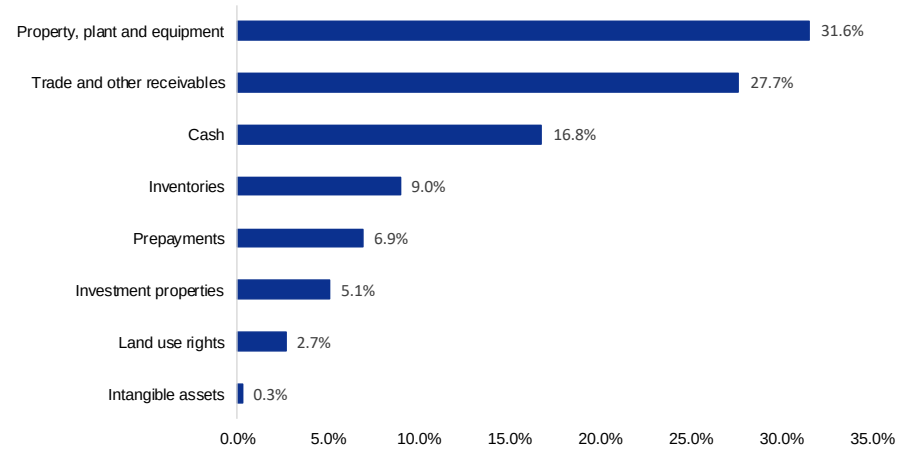
SOURCES: COMPANY REPORTS, BLOOMBERG
DATA AS AT 19 JAN 2026

Figure 10: Peer historical valuation

		Price	Market Cap	Latest	Historical (based on latest historical FYE)			
Company	Ticker	(lcl currency)	(S$m)	FYE	P/E(x)	P/BV (x)	ROE	Div Yield
Fuxing China Group Ltd	**FUXC SP**	**0.70**	**14.1**	**Dec-24**	**94.9**	**0.11**	**0.1%**	**0.0%**
Zhejiang Weixing Industrial Development	002003 CH	10.34	2,268.1	Dec-24	17.2	2.78	16.1%	4.8%
Fujian SBS Zipper Science	002098 CH	10.30	680.3	Dec-24	18.3	2.79	16.4%	0.9%
Simple average excluding Fuxing					**17.7**	**2.78**	**16.2%**	**2.9%**

SOURCES: COMPANY REPORTS, BLOOMBERG
DATA AS 19 JAN 2026

Figure 11: 1H25 total asset breakdown



SOURCES: COMPANY REPORTS

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	Rating Distribution (%)	Investment Banking clients (%)
Add	72.8%	1.4%
Hold	19.9%	0.6%
Reduce	7.3%	0.4%

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Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
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