FUXING CHINA GROUP LIMITED
(Incorporated in Bermuda)
(Company Registration No.: 38973)

PROPOSED ADOPTION OF THE SCRIP DIVIDEND SCHEME

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1. INTRODUCTION

1.1. The Board of Directors (the "**Directors**" or "**Board**") of Fuxing China Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce the proposed adoption of a scrip dividend scheme which will be named the "Fuxing Scrip Dividend Scheme" (the "**Scrip Dividend Scheme**"). The terms and conditions of the Scrip Dividend Scheme are set out in the Scrip Dividend Scheme Statement (the "**Statement**"), a copy of which is set out in the appendix to this announcement.

Unless otherwise stated, all capitalised terms used herein shall bear the meanings ascribed thereto in the Statement.

1.2. Under the Scrip Dividend Scheme, if the Directors in their absolute discretion determine that the Scrip Dividend Scheme will apply to any particular cash dividend of the Company (including any interim, final, special or other dividend) ("**Qualifying Dividend**"), persons registered in the Register of Members of the Company or, as the case may be, the Depository Register (as defined in the Securities and Futures Act 2001 of Singapore) as holders of fully paid ordinary shares of par value S$0.02 each ("**Shares**") in the share capital of the Company (the "**Shareholders**") may elect to receive fully paid new Shares ("**New Shares**") in lieu of part only or all of the cash amount of that Qualifying Dividend which is declared on the Shares held by them or registered in their names in the Depository Register, as the case may be, subject to the terms and conditions of the Scrip Dividend Scheme, which are set out in the Statement.

1.3. **Information about the Scrip Dividend Scheme is set out in the Statement. Shareholders are advised to read this announcement in conjunction with the full text of the Statement carefully. For Shareholders with registered addresses outside Singapore ("Overseas Shareholders"), attention is drawn in particular to paragraph 4.4 of the Statement, which describes the restrictions applicable to Overseas Shareholders. Shareholders and potential investors should consult their stockbroker, bank managers, solicitor or other professional advisers if they have any doubt about the actions that they should take.**

1.4. The implementation of the Scrip Dividend Scheme and the issuance of the New Shares thereunder is subject to, and contingent upon, receipt of the requisite approvals mentioned in paragraph 3 of this announcement below.

1.5. The Company will, in compliance with Rule 863 of the Listing Manual, announce whether the Scrip Dividend Scheme is to apply to a particular dividend promptly after the decision is taken, and in any event no later than the Market Day (as defined in the Statement) following the Record Date (as defined in the Statement) for that particular dividend.

2. RATIONALE AND PURPOSE OF THE SCRIP DIVIDEND SCHEME

2.1. The Scrip Dividend Scheme, if and when applied to any particular dividend, will provide eligible Shareholders greater flexibility in meeting their investment objectives as it would give them the opportunity to elect to receive Qualifying Dividends in the form of cash or New Shares (credited as fully paid). The Scrip Dividend Scheme will enable eligible Shareholders to reinvest in the Company and further their participation in the equity capital of the Company without having to incur brokerage fees, stamp duty, transaction or other related costs. There would also be greater share liquidity in the market to the extent that New Shares are issued pursuant to the Scrip Dividend Scheme.

2.2. The Company will also benefit from the adoption of the Scrip Dividend Scheme as, to the extent that eligible Shareholders elect to receive a Qualifying Dividend in the form of New Shares, the cash which would otherwise be payable in respect of such Qualifying Dividend may be retained in the Company and used to fund the growth and expansion of the Group. The retention of cash and the issue of New Shares in lieu of cash dividends under the Scrip Dividend Scheme will also enlarge the Company's share capital base, strengthen its working capital position and enhance its financial flexibility. This is part of the Company's continuing efforts to enhance and maximise Shareholders' value.

3. APPROVALS FOR THE PURPOSES OF IMPLEMENTING THE SCRIP DIVIDEND SCHEME

3.1. Shareholders' Approval

Pursuant to Rule 862(1) of the Listing Manual, an announcement must be made by an issuer if it wishes to adopt a scrip dividend scheme which enables shareholders to elect to receive shares in lieu of the cash amount of any dividend.

While there is no requirement under the Listing Manual for Shareholders' approval for the adoption of the Scrip Dividend Scheme, Bye-law 145(1) of the bye-laws of the Company ("**Bye-laws**") requires the Scrip Dividend Scheme to be approved by Shareholders in a general meeting.

Further, the allotment and issuance of the New Shares under the Scrip Dividend Scheme is subject to the approval of the Shareholders pursuant to the Bye-laws and the Listing Manual. The authority to issue New Shares under the Scrip Dividend Scheme may be in the form of specific Shareholders' approval in compliance with Bye-law 12(1) and Rule 805 of the Listing Manual, or the Company may otherwise rely on a valid general mandate granted by the Shareholders to the Board pursuant to Bye-law 12(3) and Rule 806 of the Listing Manual.

In this regard, the Company intends to seek specific Shareholders' approval at the upcoming annual general meeting for both the adoption of the Scrip Dividend Scheme and the allotment and issuance of New Shares under the Scrip Dividend Scheme.

3.2. SGX-ST's Approval for Listing and Quotation of the New Shares

The Company will make the necessary application(s) for the listing of and quotation for the New Shares to be issued for the purposes of, in connection with or where contemplated by the Scrip Dividend Scheme to the SGX-ST. Any approval in-principle from the SGX-ST for listing of and quotation for the New Shares on the SGX-ST is not to be taken as an indication of the merits of the Scrip Dividend Scheme, the Shares, the New Shares, the Company and/or its subsidiaries.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Scrip Dividend Scheme, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

5. ENQUIRIES

Enquiries about any aspect of the Scrip Dividend Scheme should be directed to:

The Company's Singapore Share Transfer Agent
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower, #14-07
Singapore 098632

FOR AND ON BEHALF OF THE BOARD

Hong Qing Liang
Executive Chairman
13 April 2026