Fuxing China Group Limited

24 June 2026

Initiation (BUY)

BBG	FUXC SP	
Market Cap (S$m)	20.0	
Price (S$) (24 Jun 2026)	0.99	
Target Price (S$)	1.51	
52-week range (S$)	0.178 - 1.00	
Shares Outstanding (m)	20.2	
Free Float	43.1%	
Major Shareholder	Hong Qing Liang	49.8%

Source: Company data, Bloomberg, SAC Capital



Source: Company data, Bloomberg, SAC Capital

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Zipping Towards Growth

Fuxing China Group Limited was listed on the Mainboard of Singapore Exchange (SGX) in September 2007. Established in 1993, Fuxing China has systematically scaled its operations over three decades to become the fourth-largest zipper manufacturer globally measured by sales value. The Group has three key business segments, including sales of zipper chains and sliders, trading of textile raw materials, and zipper processing services, which are strategically located across mainland China and Hong Kong. Fuxing China markets its product portfolio under the proprietary "3F" brand, an acronym underscoring its commitment to high-quality manufacturing and customisation.

Direct-to-Brand Strategy to Enhance Margins. Fuxing China has been pivoting towards direct sales to brand owners, reducing its reliance on contract manufacturers and intermediaries. By engaging brands earlier in the product design process, the Group aims to shift from supplying standardised zippers to providing more engineered, value-added fastening solutions across sportswear, workwear, and outdoor lifestyle apparel. The Group has disclosed that its direct-to-brand customer base has expanded to include a broader range of international and domestic brands, including Reebok, Mizuno, ellesse, Joma, Zpacks, Bosideng, CAMEL, Santic, QIAODAN, FIRS, and Mark Fairwhale, with these customers having commenced recurring order flows. Direct engagement with brand owners should enhance operating margins, order visibility, product responsiveness, and cross-selling opportunities, while also supporting a shift towards a higher value-added product mix.

Recently Announced Formal dividend policy. On 31 March 2026, Fuxing China announced a dividend policy targeting a minimum 15% annual payout for the next three financial years, and at the 29 April 2026 AGM shareholders approved the FY25 final dividend of RMB 0.15 per share, the share buy-back mandate, and the Fuxing China scrip dividend scheme. As we expect growth in the coming years, we have forecast dividend payout to be similar to FY25. This translates to a very attractive above the market yield of 4.2% in FY26 and 6.7% in FY27.

Potential for Value Unlocking with Wide Disparity to NAV. The Company's share price of S$1 is just about 20% of the Group's net asset value per share stood at S$5.40 (as at 31 December 2025). With the formal dividend policy, we believe that it reflects the Company's confidence in its underlying business fundamentals and future growth trajectory, while signalling a more proactive and disciplined approach to capital allocation, with a clear focus on enhancing shareholder returns and unlocking long-term shareholder value.

Placement and Capital Allocation for Technological Upgrades. The Group has completed a share placement that raised S$1.25 million in gross proceeds with the issuance of 3.0 million new shares at an issue price of S$0.415 each in November 2025. Specifically, 100% of the funds will be directed towards technological research and development, alongside targeted upgrades to the Group's intelligent manufacturing equipment and assembly lines.

KEY FINANCIAL HIGHLIGHTS

Year ended Dec (RMB'm)	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**
Revenue	761.8	735.9	672.3	722.8	780.6
EBIT	2.9	12.2	26.5	41.3	61.7
Net profit	(10.7)	0.9	20.5	29.9	47.7
EPS (RMB)	(0.6)	0.0	1.1	1.5	2.3
Dividend per share (RMB)	-	-	0.15	0.22	0.35
Net cash / (debt)	(96.6)	(34.9)	78.3	103.6	143.9
Valuation					
Gross profit margin (%)	6.0%	6.2%	7.4%	13.0%	15.3%
Net profit margin (%)	-1.4%	0.1%	3.0%	4.1%	6.1%
EV / EBITDA (x)	2.0	1.7	3.2	2.1	1.4
P/E (x)	(8.2)	131.2	4.6	3.6	2.2
P/B (x)	0.2	0.2	0.2	0.2	0.2
Dividend yield (%)	0.0%	0.0%	2.9%	4.2%	6.7%
ROE (%)	-1.9%	0.2%	3.4%	5.0%	7.7%

Technology Updates to Improve Efficiencies. The Group is accelerating its digitalisation roadmap, its AI-enabled operating model focuses on real-time monitoring of business-unit efficiency, assets and workflows, with the explicit objective of reducing manpower, improving quality and optimising resource allocation. The company also said it is exploring enhancements to its Customer Relationship Management system to improve demand anticipation, risk management and responsiveness to shifting market conditions.

Profitability expected to improve after mixed FY25 results. Fuxing China's FY25 revenue declined by 8.6% YoY to RMB 672.3 million, mainly due to an 11.0% YoY decrease in Zipper segment revenue to RMB 412.1 million from RMB 463.4 million in FY24, driven by lower export sales following tariffs announced by the United States on foreign imports. Despite the softer topline, gross profit improved 8.1% YoY to RMB 49.5 million, while overall gross margin expanded from 6.2% in FY24 to 7.4% in FY25. This was mainly supported by margin improvement in the Processing segment, where lower production costs and reduced wastage following automation initiatives helped enhance operating efficiency. While FY25 revenue was weighed down by a decline in export sales due to trade-war-related tariffs, this impact is expected to partially reverse in FY26 as export demand normalises, helping to close the revenue gap. Fuxing China's FY26 revenue forecast is expected to increase 7.5% YoY to RMB 722.8 million. With continued margin improvement from automation-led efficiency gains, we forecast the Group's FY26 gross margin will increase to 13% from 7.4% in FY25. The Group's FY26 gross profit is expected to increase 89.8% YoY to RMB 94.0 million.

Key risks ahead include credit risk and long-dated trade receivables; macroeconomic slowdowns and raw material volatility.

Investment recommendation. We initiate coverage on Fuxing China with a BUY rating and a target price of S$1.51, based on Fuxing China FY26 forward EPS of RMB 1.47 (S$0.22) and applying a 60% discount to the mean forward PER of 13.6x of its peers, representing a 52% upside from current levels. We note that our target price of S$1.51 is 72% lower than the Group's latest NAV per share of S$5.40.

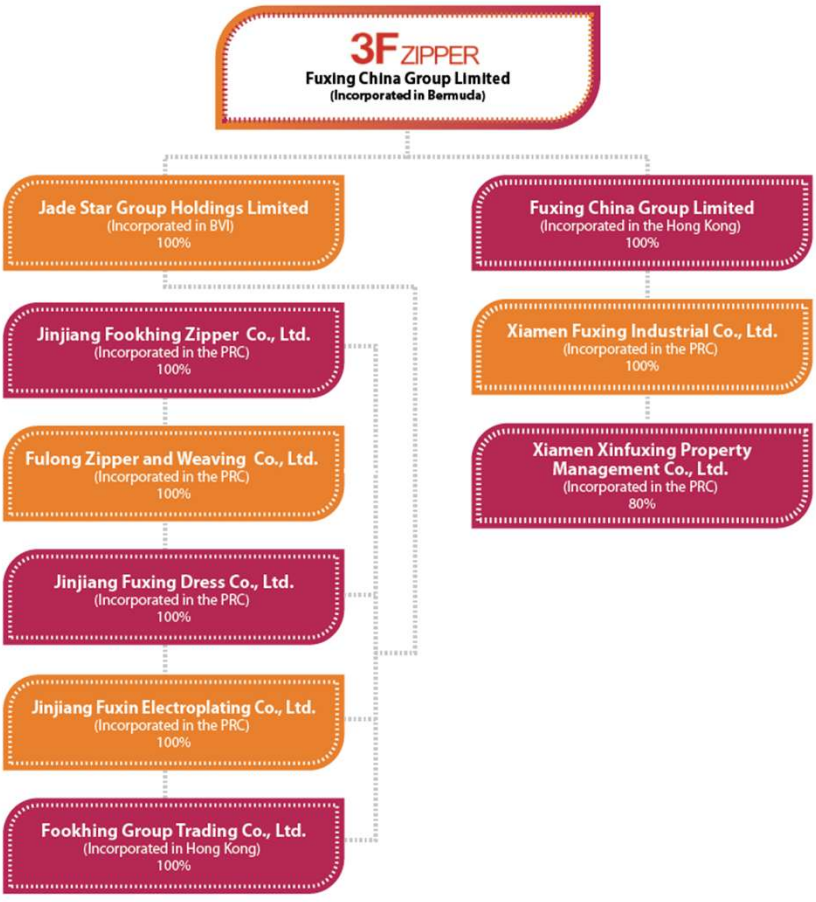
Company Background

Fuxing China Group Limited is a Bermuda-incorporated holding company with operations executed through its subsidiaries and was listed on the Mainboard of Singapore Exchange (SGX) in September 2007. Established in 1993, Fuxing China is headquartered in Jinjiang City, Fujian Province, a globally recognised, hyper-concentrated hub for footwear and apparel manufacturing.

Fourth-Largest Zipper Manufacturer Globally

The Group's market reputation and pricing power are heavily anchored by its proprietary "3F" brand, which has cultivated significant brand equity and consumer trust. The 3F brand was named the "Symbolic Brand of China" by the First Chinese Well-Known Brand Conference in 2006, and was recognised among the "PRC Top 10 Famous Zipper Brands" by the Hardware Association of the PRC as early as 2005. This historical pedigree has allowed Fuxing China to build a highly diversified and institutionalised customer base comprising over 1,600 distinct accounts. This elite roster includes heavy-hitting domestic sportswear giants and international lifestyle brands such as Anta, Peak, ERKE, Septwolves, Li-Ning, 361°, Samsonite, Beneunder, and Northpole China. Fuxing China's corporate history is also marked by periods of rapid geographical and operational expansion.

The Group has systematically scaled its operations over three decades to become the fourth-largest zipper manufacturer globally measured by sales value. The Group has three key business segments, including sales of zipper chains and sliders, trading of textile raw materials, and zipper processing services, which are strategically located across mainland China and Hong Kong.



Source: Company

Business Segments

Zipper Segment

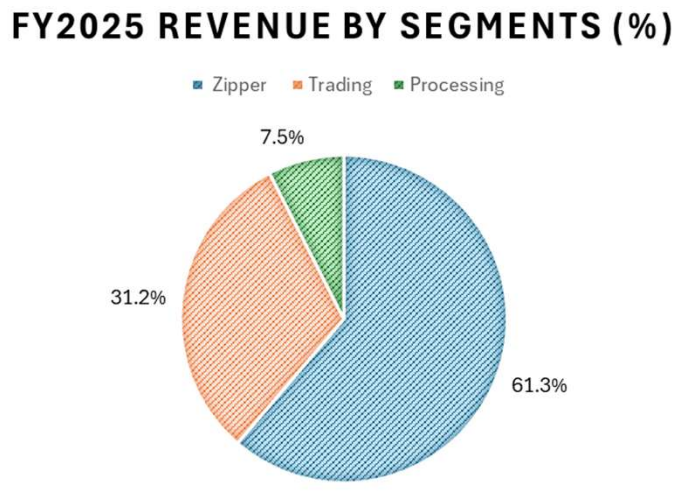
The Zipper segment represents the historical core and the primary revenue engine of the Group, encompassing the end-to-end manufacturing and sale of zipper chains and custom sliders. In FY25, the segment generated RMB 412.1 million in external sales, accounting for approximately 61.3% of the Group's consolidated revenue. This represented an 11.1% contraction from the RMB 463.4 million recorded in FY24, a decline management attributes to the depressive impact of heightened US tariffs on foreign imports, which curtailed export orders. Despite the top-line erosion, the Zipper segment remains the most structurally profitable division, maintaining a gross profit of RMB 36.9 million and a segmented gross margin of roughly 9.0% in FY25.

Processing Segment

The Processing segment handles the technically demanding phases of production, specifically the colour dyeing of fabric tapes and the electroplating of zipper sliders. This segment is highly integrated into the broader corporate structure, serving both internal manufacturing needs, generating inter-segment sales of RMB 50.7 million in FY25, and providing bespoke processing services to external third-party manufacturers, generating RMB 50.5 million. The performance of this segment was the operational highlight of FY25. Gross profit surged exponentially from RMB 0.49 million in FY24 to an impressive RMB 7.23 million in FY25. Management directly correlates this margin expansion with the successful implementation of automated control systems, which drastically improved product quality, reduced defect rates, and subsequently stimulated external demand.

Trading Segment

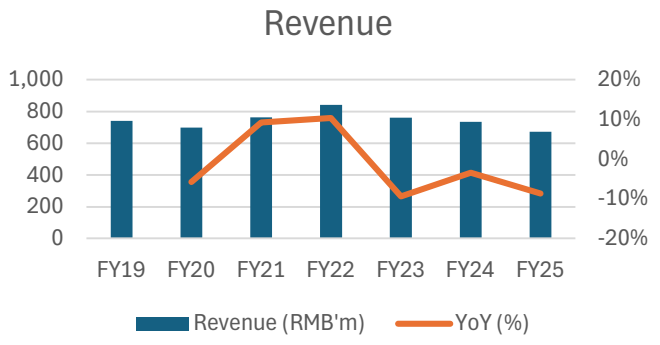
This segment focuses on the wholesale trading of textile raw and auxiliary materials, such as rubber thread, nylon fabric, and nylon yarn, catering to manufacturers of finished textile products across the PRC. The business model is highly demand-driven, as the sourcing and purchasing of materials are executed strictly in accordance with customers' confirmed sales and specific requirements. In FY25, the segment's revenue remained relatively stable, generating RMB 209.7 million from external customers, which represents a slight decrease from the RMB 213.1 million recorded in FY24.



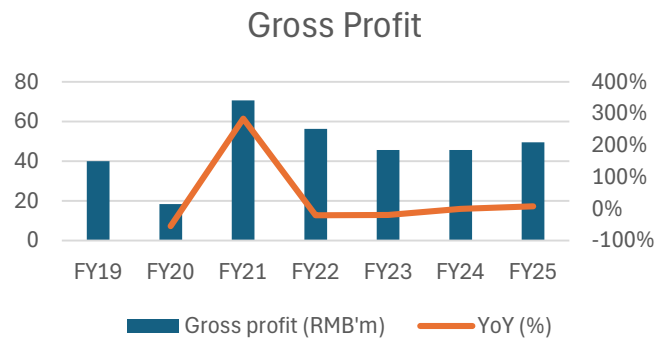
Source: Company data, SAC Capital

Financials

Fuxing China's top-line trajectory has been characterised by a pandemic-induced trough, a brief recovery, and subsequent tapering, primarily driven by macroeconomic volatility and strategic manufacturing automation. Revenue contracted by 5.8% YoY from RMB 740.7 million in FY19 to RMB 697.9 million in FY20 due to widespread operational disruptions, before staging a sharp recovery to RMB 762.6 million in FY21 and peaking at RMB 841.1 million in FY22 as improved production volumes and pent-up demand materialised. However, this growth momentum reversed in FY23, with revenue sliding 9.4% YoY to RMB 761.8 million, a downward trend that persisted through FY24 to RMB 735.9 million (-3.4% YoY) and FY25 to RMB 672.3 million (-8.6% YoY) due to decelerating market demand and strategic product rationalisation. In tandem with these revenue fluctuations, absolute gross profit compressed to RMB 18.4 million in FY20, surged to RMB 70.7 million in FY21, and gradually tapered before stabilising at RMB 49.5 million in FY25.

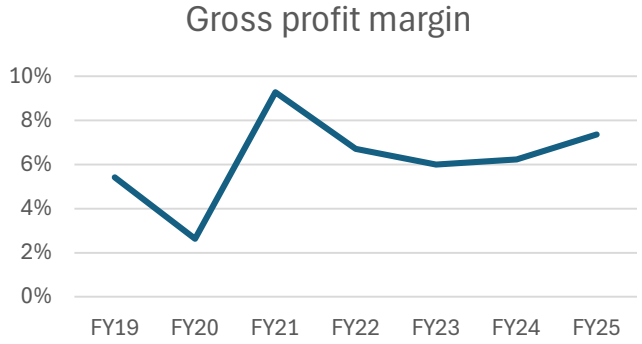


Source: Company data, Bloomberg, SAC Capital

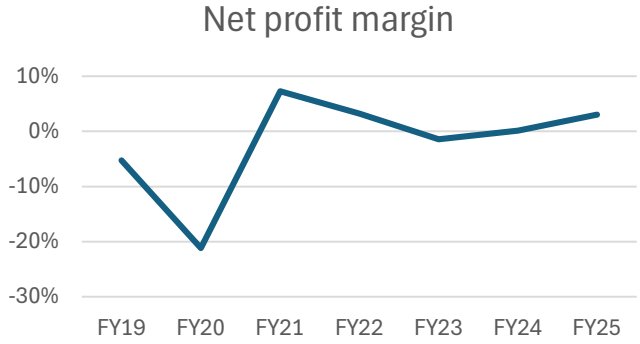


Source: Company data, Bloomberg, SAC Capital

Fuxing China's margin profile points to an uneven but improving earnings quality, with recent margin expansion indicating better cost control despite sustained revenue pressure. The Group's gross profit margin compressed to 2.6% in FY20, before experiencing significant margin expansion to 9.3% in FY21 due to stronger operating leverage and improved production efficiency. Margins subsequently tapered to 6.7% in FY22 and 6.0% in FY23 as cost pressures and product mix effects weighed on profitability. Gross margin stabilised at 6.2% in FY24 and expanded to 7.4% in FY25, primarily driven by improved margins in the Processing segment, sustained by lower production costs following wastage reduction from automation. Net profit margin followed a more volatile path, deteriorating from -5.2% in FY19 to -21.2% in FY20, before recovering to 7.3% in FY21 and 3.2% in FY22 as operations normalised. The Group returned to a loss-making position in FY23 with a -1.4% net margin, before stabilising at 0.1% in FY24 and improving to 3.0% in FY25.



Source: Company data, Bloomberg, SAC Capital



Source: Company data, Bloomberg, SAC Capital

Industry Overview

Total addressable market and demand drivers.
The global zipper market is a multi-billion dollar, mission-critical enterprise inextricably linked to the fortunes of the broader apparel, luggage, footwear, and technical gear sectors. Zippers are considered a critical path component in manufacturing; they represent a fractional percentage of a garment's total production cost but possess the capacity to entirely ruin the end-user experience and destroy brand reputation if they fail. Consequently, major global brands place a massive premium on reliability, consistent colour-matching at scale, and global supply chain integration, heavily favouring scaled, certified incumbents like Fuxing China over cheaper, unproven alternatives.

The global and domestic apparel and luggage industries, which form the primary downstream markets for zippers, are experiencing a steady recovery post-pandemic. In China, the apparel market is projected to maintain steady growth at a CAGR of 4.3% from 2023 to 2027, driven by the rise of domestic brands, expanding e-commerce channels, and increased health consciousness.

Mainland China Apparel Market Size, 2018-2027F



Source: Euromonitor Report (2023 Edition), Company, SAC Capital

The zipper industry is being actively shaped by shifting consumer demands and global sustainability standards. Product diversification and ESG (Environmental, Social, and Governance) pursuits are currently the leading trends. Downstream customers increasingly require specialised features such as water-resistance, fire-resistance, and anti-bacterial properties, alongside fashionable designs. Concurrently, as international apparel brands prioritise sustainability, zipper manufacturers are pivoting toward eco-friendly raw materials, such as recycled PET plastic bottles and ocean waste, to meet stringent global expectations and overcome green trade barriers in the EU and U.S. markets.

Industry Overview

Zipper Industry in China

As a critical component within these supply chains, the zipper industry represents a highly resilient and essential segment. Mainland China stands as the world's largest producer and exporter of zippers. The domestic zipper market was valued at US$7,135.5 million in 2022 and is expected to reach US$8,163.3 million by 2026, growing at a steady CAGR of 2.7% between 2023 and 2027. A major driver for Chinese zipper manufacturers is the robust export market, which saw exports reach US$1,753.2 million in 2022. As downstream apparel manufacturing operations migrate to ASEAN and South Asian nations to mitigate rising domestic labor costs, countries such as Vietnam and Bangladesh have become the primary destinations for China's zipper exports. For instance, Vietnam relies on China for approximately 55% to 60% of its textile and apparel materials, driving a 14.2% CAGR in China's zipper exports to the country over the past five years. In terms of product composition, nylon and plastic zippers dominate these exports, accounting for 56.8% of the export value in 2022 due to their cost advantages over heavier metal zippers.

Domestically, the zipper manufacturing landscape is undergoing significant structural changes driven by strict regulatory oversight. Stringent environmental regulations governing highly pollutive processes like electroplating and bleaching have substantially raised the barriers to entry. Manufacturers are now required to deploy advanced waste testing and treatment systems to comply with national standards, demanding considerable capital expenditures. Local governments have also restricted approvals for new zipper manufacturing projects, favoring large companies with adequate capital and proven waste treatment experience. Consequently, smaller, non-compliant manufacturers are being squeezed out of the market, accelerating a wave of industry consolidation that concentrates market share among established, well-capitalized operators. With compliant qualifications already secured, Fuxing China has first-mover advantages in capacity expansion and process upgrades, enabling market share gains.

Mainland China Zipper Market Size, 2018-2027F



Source: Euromonitor Report (2023 Edition), Company, SAC Capital

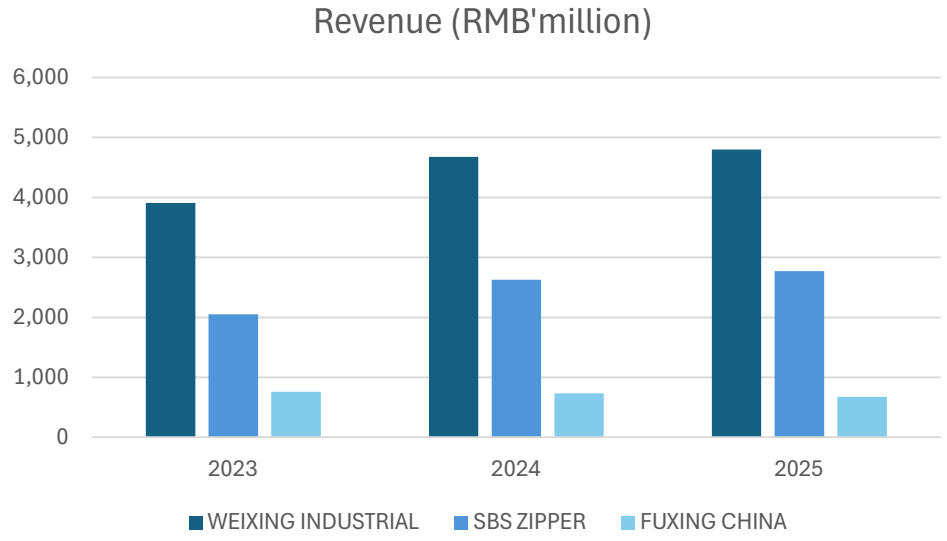
Industry Overview

Competitive Landscape

Fuxing China operates within the global zipper and apparel fastening industry, a mature yet essential segment of the broader apparel and consumer goods supply chain. Industry competition is shaped by manufacturing scale, product consistency, technical capabilities, cost efficiency and increasingly stringent environmental standards. The competitive landscape remains tiered, with YKK Group widely recognised as the leading global player, particularly among premium fashion and international sportswear brands, supported by its extensive global footprint and long-established reputation for quality. In the upper-mid segment, established Chinese manufacturers such as Zhejiang Weixing Industrial and Fujian SBS Zipper have built strong positions by combining technical capabilities, production scale and competitive pricing, enabling them to serve a broad range of domestic and international brand customers.

Within this landscape, Fuxing China is positioned as a high-volume, mid-tier manufacturer with a focus on serving practical, cost-sensitive and specification-driven customer needs. In this segment, brand owners and garment manufacturers typically prioritise production reliability, consistent product quality, timely delivery and competitive unit costs over end-consumer brand recognition of the zipper itself. Fuxing China's competitive proposition therefore lies in its ability to support large-scale production requirements while maintaining quality control and delivery discipline, which are critical attributes for downstream apparel and textile customers.

Demand drivers in the industry are currently experiencing a favourable structural shift. While traditional apparel demand remains linked to broader fashion and consumption cycles, there is growing interest in functional, technical and outdoor-oriented products, including lifestyle gear, camping equipment, protective workwear and performance apparel. These categories often require more specialised fastening solutions, such as waterproof, fire-retardant, high-tensile or concealed zippers. This trend creates opportunities for manufacturers that can move beyond standardised components and provide more customised, application-specific solutions. Fuxing China is positioning itself to capture this demand by investing in in-house R&D capabilities, supported by a team of nearly 20 professionals focused on developing customised fastening systems. These initiatives enhance the Group's value proposition by helping customers improve product functionality and reduce garment assembly complexity, thereby broadening Fuxing China's role from component supplier to solutions-oriented manufacturing partner.



Source: Company Data, SAC Capital

Valuation

While FY25 revenue was weighed down by a decline in export sales within the Zipper segment due to trade-war-related tariffs, this impact is expected to partially reverse in FY26 as export demand normalises, helping to close the revenue gap. Driven by a potential recovery in export sales and increasing contribution from newly secured customer, Fuxing China's revenue forecast is expected to increase 7.5% YoY to RMB 722.8 million in FY26 and 8.0% YoY to RMB 780.6 million in FY27.

With continued margin improvement from automation-led efficiency gains, we forecast the Group's gross margin will increase to 13.0% in FY26 and 15.3% in FY27 from 7.4% in FY25. The Group's gross profit is expected to increase 89.8% YoY to RMB 94.0 million in FY26 and 27.1% YoY to RMB 119.4 million in FY27.

Applying a 60% discount to reflect Fuxing China's relatively smaller market capital, we initiate coverage with a target price of S$1.51, based on forward EPS of RMB 1.47 (S$0.22) and the mean forward peer average P/E of 13.6x, representing a 52% upside from current levels.

Company Name	Ticker	Market Cap (S$m)	Last Traded Price (S$)	T12M P/E	1-yr Fwd PE	T12M P/B
FUXING CHINA GROUP LTD	**FUXC SP**	**20.0**	**0.99**	**4.6**	**3.6**	**0.2**
FUJIAN SBS ZIPPER SCIENCE & TECHNOLOGY CO LTD	002098 CH	488.5	1.36	14.0	11.8	1.7
ZHEJIANG WEIXING INDUSTRIAL DEVELOPMENT CO LTD	002003 CH	2041.8	1.72	16.6	15.4	2.3

Source: Company data, Bloomberg, SAC Capital

Board of Directors and Management Profile

Board of Directors		
Name	Designation	Background
Mr. Hong Qing Liang	Executive Chairman	Co-founder of the Group, appointed to the Board on 19 December 2006. He has over 20 years of experience in the zipper industry and is responsible for managing the business, operations, and strategic directions of the Group. He has held several leadership roles in industry associations, including Honorable Chairman of the Zipper Industry Association of Fujian Province.
Mr. Hong Peng You	Executive Director and Director of Finance and Administration	Executive Director since December 2006 and oversees the finance, budget, administration, and internal control matters of the Group. He has a background in accounting and holds several professional titles, including being a registered accountant, senior tax planner, Certified Chief Accountant, and a Fellow Member of the Association of International Accountants.
Mr. Low See Lien	Lead Independent Director	Appointed on 1 January 2024. He brings over 20 years of professional experience in audit and assurance and is currently an audit partner at Baker Tilly TFW LLP. He holds a Bachelor in Accountancy from Nanyang Technological University and is a fellow Chartered Accountant from the Institute of Singapore Chartered Accountants.
Mr. Koh Boon Chiao	Independent Director	Appointed on 15 May 2024. He has over 19 years of experience in the legal industry and currently serves as a Director at RCP Law LLC. He has previously served as special counsel at Mishcon de Reya LLP and held leadership roles in the legal departments of various companies.
Ms. Tsang Ngo Yin	Independent Director	Appointed on 15 May 2024. She has over 20 years of experience in auditing, accounting, corporate governance, and financial management. She is currently the company secretary with HG Semiconductor Limited and is a member of both the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants.

Source: Company data, SAC Capital

Management Team		
Name	Designation	Background
Mr. Hong Shao Lin	Chief Executive Officer	Appointed CEO in January 2023, he previously served as a procurement manager and general manager at the Group's subsidiary, Fookhing Zipper. He holds various leadership roles in industry associations and has studied business management at Xi'an University of Electronic Science and Technology, Cheung Kong Graduate School of Business, and New York University.
Mr. Lei Zhen Min	Assistant General Manager	He joined the Group in 2014 and was promoted to his current role from Human Resource Manager to assist the CEO in overseeing daily business operations. He holds degrees from several universities and has previous management experience in human resources and office administration across various large companies and enterprise groups.
Mr. Hong Shui Ku	Chief of Operations	Having been in the zipper trade since 1980, he joined the Group in 1993 and is responsible for assisting the Board in overseeing overall operations. He previously served as the Group's Executive Director from May 2011 until March 2019, when he relinquished the position to focus entirely on his operations management role.
Mr. Ye Mu Gui	Production Manager	He joined the Group in February 1995 and brings 30 years of experience in the zipper industry to his role overseeing the technical and production processes.
Mr. Zhang Shang Lian	Sales and Marketing Manager	He joined the Group in October 2009 and is currently responsible for the Group's sales and marketing operations as well as after-sales services. Prior to joining the Group, he served as a Sales Manager in HuaCheng Commercial and Trading Co., Ltd.

Source: Company data, SAC Capital

Sustainability

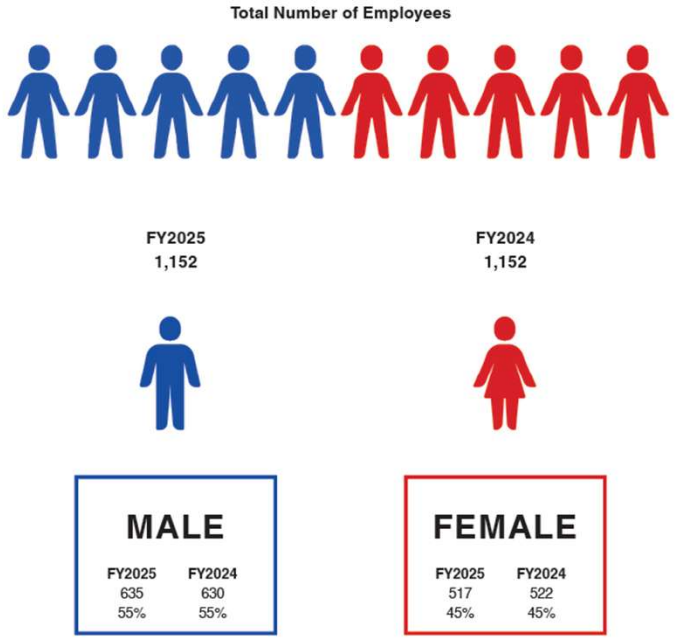
Fuxing China Group Limited integrates environmental, social, and governance (ESG) considerations into its core business strategy, driven by the belief that operations must positively impact the environment, employees, and the broader value chain

Environment (E)

In its environmental efforts, the Group maintained a strong compliance record with zero incidents of non-compliance and no significant fines for breaching environmental laws in FY25. Acknowledging the energy-intensive nature of its manufacturing, Fuxing China actively mitigates climate risks by transitioning to renewable energy; notably, the installation of rooftop solar photovoltaic systems generated 4,060,368 kWh of renewable energy by December 2025. The company has established clear, quantitative environmental targets for the future, including reducing total greenhouse gas emissions by 5% and energy consumption by 3% in FY26 compared to FY25. Additional long-term targets aim to reduce water consumption by 5% over the next three years and total waste generation by 3% over the next five years. The Group's commitment to sustainable manufacturing is further validated by its ISO 14001:2015 Environmental Management System certification, Global Recycled Standard (GRS) 4.0 certification, and STANDARD 100 by OEKO-TEX® authorization.

Social (S)

The Group emphasises fair employment, diversity, and continuous professional development across its stable workforce of 1,152 full-time employees. The workforce reflects a balanced gender distribution, comprising 55% male and 45% female employees. The company significantly increased its investment in human capital, effectively more than doubling the average training hours per employee from 2.9 hours in FY24 to 6.3 hours in FY25 to better equip staff with necessary workplace and technical skills. Occupational health and safety is a top priority, supported by ISO 45001:2018 certification and a dedicated Safety Committee. While the Group reported two recordable injuries, it successfully maintained a record of zero fatalities and no high-consequence safety incidents throughout the year.



Source: Company

Sustainability

Governance (G)

The Group upholds strict ethical standards with a zero-tolerance policy toward bribery and corruption. It enforces a comprehensive Code of Conduct and a Whistleblower Program that allows employees to securely report suspected misconduct related to financial matters and internal controls directly to the Audit Committee Chairman. Consequently, there were zero reported instances of corruption or significant employee misconduct in FY25.

Governance extends to the company's external business partners. The Group enforces stringent vendor selection criteria, evaluating potential suppliers on their track records, financial strength, and commitments to quality, occupational health, safety, and sustainability.

To enhance corporate transparency and stakeholder communication, Fuxing China formally adopted an Investor Relations Policy in February 2025, hired an external investor relations firm, and launched a dedicated online investor relations website. Additionally, the Board instituted a formal dividend policy in March 2026 to distribute at least 15% of the Group’s profit attributable to shareholders, further aligning governance with shareholder value creation.

Strategic Partners



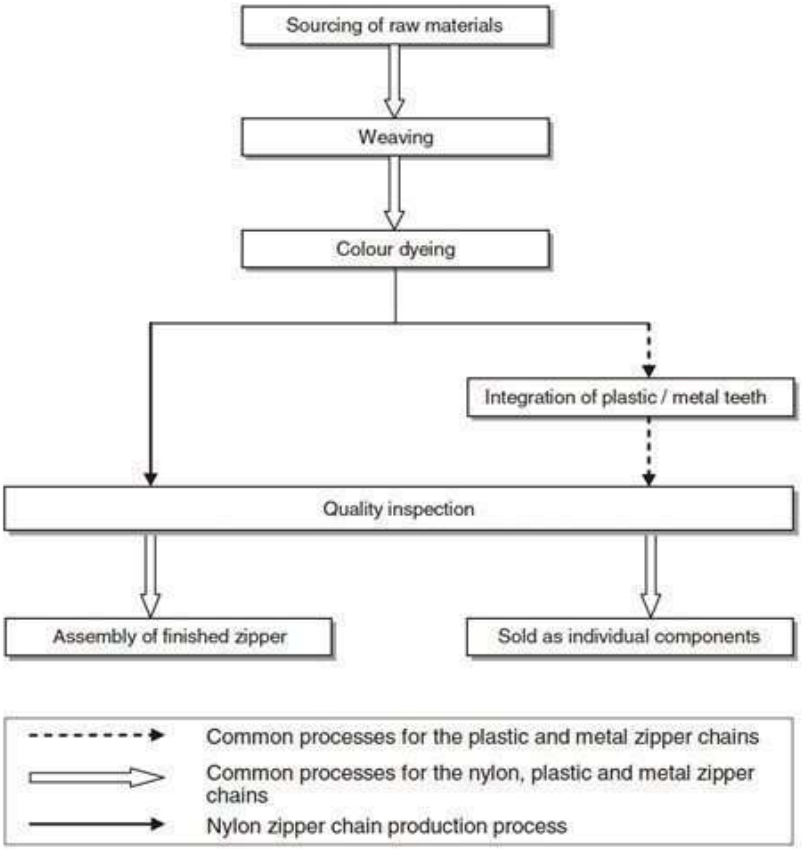
Source: Company

Awards



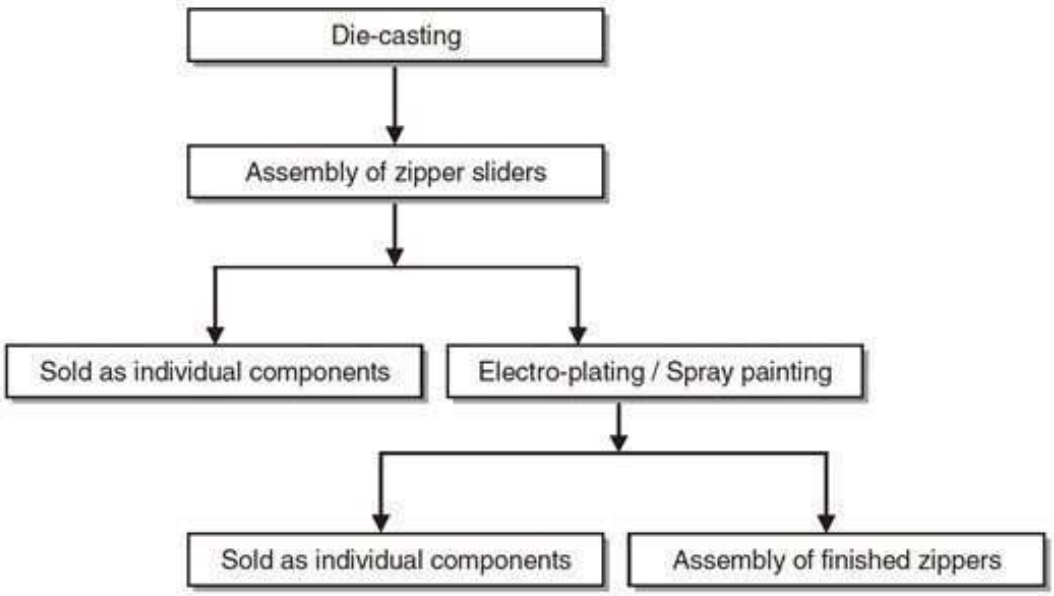
Source: Company

Production of Zipper Chains



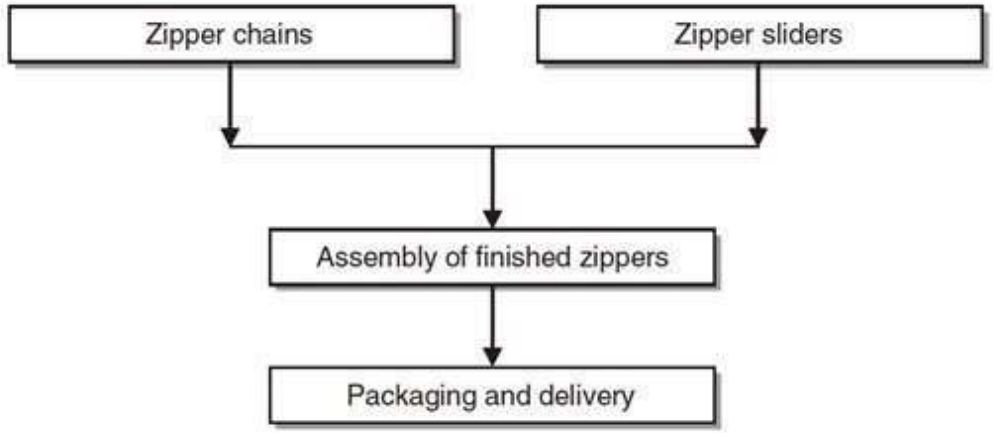
Source: Company

Production of Zipper Sliders



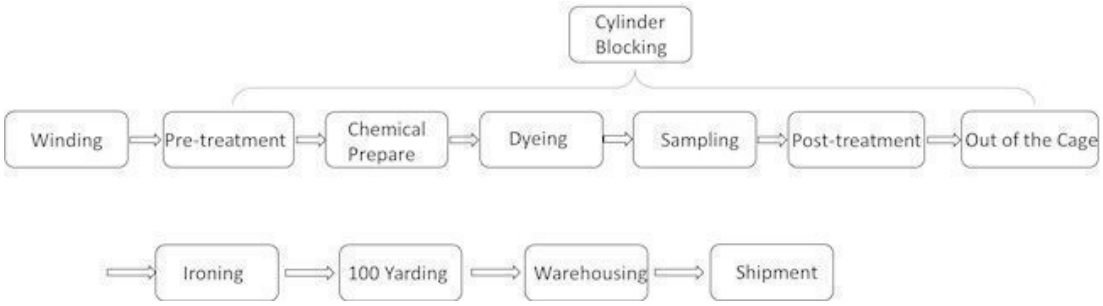
Source: Company

Assembly of finished zipper



Source: Company

Typical Dyeing Process



Source: Company

Income Statement

FYE Dec (RMB'm)	FY23	FY24	FY25	FY26E	FY27E
Revenue	**761.8**	**735.9**	**672.3**	**722.8**	**780.6**
Cost of sales	(716.1)	(690.1)	(622.8)	(628.8)	(723.1)
Gross profit	**45.6**	**45.8**	**49.5**	**94.0**	**119.4**
Other items of income			0.1		
Other income	18.3	38.9	52.0	12.0	12.1
Other items of expenses					
Marketing and distribution costs	(13.5)	(12.0)	(13.1)	(11.7)	(12.6)
Administrative expenses	(47.3)	(60.5)	(58.0)	(51.5)	(55.7)
Other expenses	(0.1)	(0.1)	(3.8)	(1.4)	(1.5)
Finance costs	(10.5)	(8.8)	(5.1)	(8.4)	(9.0)
Profit/(Loss) before tax	**(7.6)**	**3.3**	**21.4**	**33.0**	**52.7**
Income tax expenses	(3.1)	(2.5)	(0.9)	(3.1)	(4.9)
Profit/(Loss) for the period	**(10.7)**	**0.9**	**20.5**	**29.9**	**47.7**

Balance Sheet

FYE Dec (RMB'm)	FY23	FY24	FY25	FY26E	FY27E
ASSETS					
Non-current assets					
Property, plant and equipment	301.0	270.0	228.6	205.5	177.6
Investment properties	42.1	42.1	39.0	39.0	39.0
Land use right	23.3	22.4	15.9	15.1	14.3
Intangible assets	-	2.5	1.9	1.9	1.9
Total non-current assets	**366.3**	**337.0**	**285.4**	**261.5**	**232.8**
Current assets					
Inventories	80.3	66.4	74.2	69.0	77.5
Trade and other receivables	242.0	265.5	228.8	248.5	271.4
Prepayments	89.4	57.4	49.5	56.2	63.7
Cash and short-term deposits	113.8	169.6	191.9	217.2	257.5
Total current assets	**525.5**	**559.0**	**544.4**	**590.9**	**670.1**
Total assets	**891.8**	**896.0**	**829.7**	**852.4**	**902.9**
Equity and liabilities					
Equity attributable to owners of the Company					
Share capital	772.6	1.9	2.2	2.2	2.2
Treasury shares	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)
Reserve fund	67.1	67.6	67.6	67.6	67.6
Capital reserve	39.6	39.6	39.6	39.6	39.6
Contributed surplus	-	598.9	604.9	604.9	604.9
Restructuring reserve	(117.9)	(117.9)	(117.9)	(117.9)	(117.9)
Foreign currency translation reserve	(10.0)	(12.8)	(13.2)	(13.2)	(13.2)
Retained earnings/(Accumulated losses)	(171.8)	0.3	20.5	25.2	40.3
Total equity attributable to owners of the Company	573.3	571.2	597.3	602.0	617.1
Non-controlling interest	0.4	0.5	0.7	0.7	0.7
Total equity	**573.7**	**571.7**	**598.0**	**602.7**	**617.8**
Current liabilities					
Trade and other payables	13.2	24.3	100.2	112.7	135.7
Other liabilities	71.0	71.7	-	-	-
Loans and borrowings	210.4	204.6	113.6	113.6	113.6
Income tax payable	3.6	3.8	3.8	4.6	5.9
Total current liabilities	**298.2**	**304.4**	**217.6**	**230.9**	**255.2**
Non-current liabilities					
Deferred tax liabilities	19.9	19.9	14.1	18.7	29.9
Total non-current liabilities	**19.9**	**19.9**	**14.1**	**18.7**	**29.9**
Total liabilities	**318.1**	**324.3**	**231.8**	**249.7**	**285.1**
Total equity and liabilities	**891.8**	**896.0**	**829.7**	**852.4**	**902.9**

Cash Flow Statement

FYE Dec (RMB'm)	FY23	FY24	FY25	FY26E	FY27E
Cash flows from operating activities					
Profit/(Loss) before taxation	**(7.6)**	**3.3**	**21.4**	**33.0**	**52.7**
Adjustments for:					
Depreciation of property, plant and equipment	41.7	40.0	39.1	37.2	32.1
Amortisation of land use rights	0.9	0.9	0.8	0.8	0.8
Amortisation of intangible assets	-	0.5	0.6	0.6	0.6
Fair value change of investment property	(3.5)	-	3.1	-	-
Gain on disposal of property, plant and equipment	-	(7.1)	0.7	-	-
Net provision for / (reversal of) loss allowance for trade receivables	1.6	(10.6)	1.8	-	-
Net (reversal of) / allowance for advances to suppliers	0.6	(2.7)	0.7	-	-
Net reversal of provision for social security contribution	(7.1)	-	-	-	-
Forfeiture of advances from customers	-	(3.0)	(5.1)	(2.7)	(6.6)
Finance costs, net	10.5	8.8	5.1	8.4	9.0
Foreign currency differences	(1.5)	(2.8)	(0.4)	-	-
Gain on disposal of subsidiary	-	-	(20.2)	-	-
Waiver of amount due to a director	-	-	(10.5)	-	-
Net reversal of provision for inventories	-	-	(4.2)	-	-
Operating cash flows before changes in working capital	35.6	27.3	32.9	77.1	88.6
(Increase) / Decrease in:					
Inventories	(27.9)	13.9	(3.9)	5.4	(9.3)
Trade and other receivables	42.9	(12.9)	23.5	(20.2)	(29.7)
Prepayments	(13.2)	34.6	7.2	(3.8)	(8.5)
Increase / (Decrease) in:					
Trade and other payables	(11.3)	7.6	16.7	17.2	17.3
Other liabilities	(3.2)	-	-	-	-
Cash flows generated from operations	22.9	70.6	76.5	75.7	58.3
Income tax paid	(2.8)	(2.2)	(0.3)	(1.8)	(1.4)
Net cash generated from operating activities	**20.1**	**68.3**	**76.2**	**73.9**	**56.9**
Cash flows from investing activities					
Purchase of property, plant and equipment	(8.9)	(12.2)	(16.1)	(9.3)	(12.0)
Purchase of intangible assets	-	(3.0)	-	-	-
Proceeds from disposal of property, plant and equipment	-	10.3	1.3	-	-
Interest received	0.8	0.6	0.5	0.7	1.1
Purchase of land use right	-	-	(1.1)	-	-
Proceeds from disposal of subsidiary, net of cash disposed	-	-	45.6	-	-
Net cash used in investing activities	**(8.2)**	**(4.3)**	**30.2**	**(8.5)**	**(10.9)**
Cash flows from financing activities					
Dividend paid to non-controlling interest	(0.2)	(0.1)	(0.0)	(0.1)	(0.1)
Issuance of shares	-	-	6.3	-	-
Advances from amounts due to directors	1.4	7.2	6.2	-	-
Proceeds from loans and borrowings	103.4	125.0	50.5	-	-
Repayments for loans and borrowings	-145.469	(130.8)	(141.5)	-	-
Interest paid	(11.3)	(9.4)	(5.6)	(5.6)	(5.6)
Decrease/(Increase) in pledged deposits	(5.0)	(3.2)	21.0	(15.7)	-
Dividends paid	-	-	-	(3.0)	(4.5)
Net cash generated / used in financing activities	**(57.2)**	**(11.3)**	**(63.1)**	**(24.4)**	**(5.7)**
Net increase in cash and cash equivalents	**(45.3)**	**52.7**	**43.3**	**41.0**	**40.3**
Cash and cash equivalents at beginning of financial year	**125.6**	**80.3**	**132.9**	**176.2**	**217.2**
Cash and cash equivalents at end of financial year	**80.3**	**132.9**	**176.2**	**217.2**	**257.5**

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