Fuxing China Group Limited

MEDIA RELEASE

Fuxing Makes Turnaround to Profitability in 1H2026 as Improved Margins Drives Earnings Recovery

- Return to profitability supported by improved gross profit margin, higher zipper selling prices and disciplined cost management.
- Gross profit margin expanded to 9.5% as improved margins from the Zipper and Processing segments drove stronger earnings with relatively stable revenue.
- Sustained positive operating cash flow, with net cash generated from operating activities of RMB17.6 million in 1H2026 and cash and short-term deposits of RMB199.3 million as at 30 June 2026.
- Total equity stood at RMB602.1 million with net asset per share of RMB 29.80 (equivalent to S$5.65) as at 30 June 2026.
- Focus on continual margin expansion through enhanced operational efficiency, utilising greater automation, and increased direct-to-brand sales.
- Proposed bonus issue to improve trading liquidity and broaden shareholder participation, subject to shareholders' approval in a special general meeting to be announced in due course.
- The Company has also previously announced in March 2026 that a target annual dividend payout of at least 15% of the Group's profit attributable to equity holders of the Company as dividends in respect of the next three financial years ending 31 December 2026, 31 December 2027 and 31 December 2028.

(RMB$ million)	1H2025	1H2026	Change %
Revenue	335.1	**330.7**	(1)
Gross Profit	24.5	**31.4**	+28
Net Profit /(Loss)	(9.5)	**5.4**	n.m.
Net Assets Value per Share (RMB)	33.9*	**29.8^**	(12)

*As at 31 December 2025
^As at 30 June 2026

Singapore, 14 August 2026 – **Fuxing China Group Limited** ("**Fuxing**", or the "**Company**", and together with its subsidiaries, the "**Group**"), **the 4th largest zipper manufacturer globally in terms of sales value,** is pleased to announce a turnaround back to profitability for the six months ended 30 June 2026 ("**1H2026**")

Financial Highlights for 1H2026

Commenting on the Group's turnaround for 1H2026, Mr Hong Shao Lin, Chief Executive Officer of Fuxing, said: "Our return to profitability in the first half of 2026 reflects the progress of our operational optimisation initiatives, disciplined cost management and strategic pricing discipline. While revenue remained relatively stable, our planned improvement in gross profit margin contributed positively to our financial performance.

Building on this momentum, we remain focused on strengthening our core zipper business and enhancing our financial performance by improving operating margins, increasing operational efficiency through automation and digitalisation, and expanding our customer base through deeper direct-to-brand relationships".

.

Financial Highlights for 1H2026

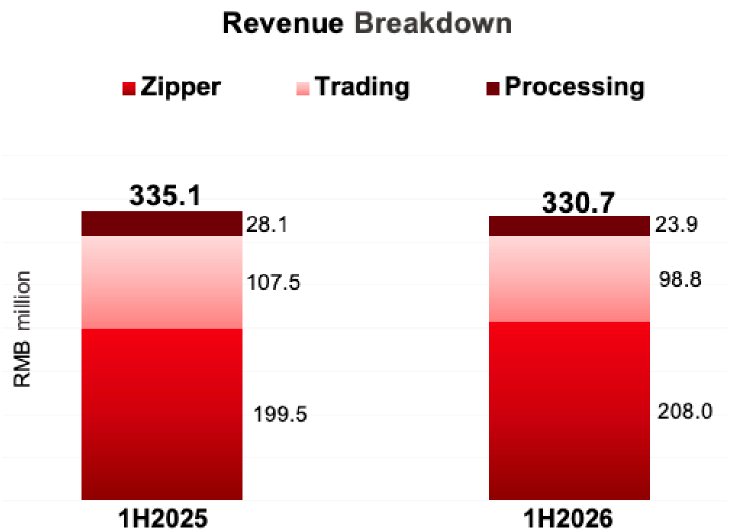
Zipper segment remained the Group's main revenue contributor with improved margins: The Group has three main business segments of Zipper, Trading and Processing, which contributed 62.9%, 29.9%, 7.2% of the Group's revenue in 1H2026 respectively.

The Group's revenue remained relatively stable at RMB330.7 million in 1H2026 (1H2025: RMB335.1 million), with higher revenue contribution from the Zipper segment, partially offset by lower revenue contribution from the Trading and Processing segments

Under the Zipper segment, revenue increased 4% to RMB208.0 million in 1H2026 (1H2025: RMB199.5 million), which was primarily driven by higher selling prices across the Group's zipper product categories.

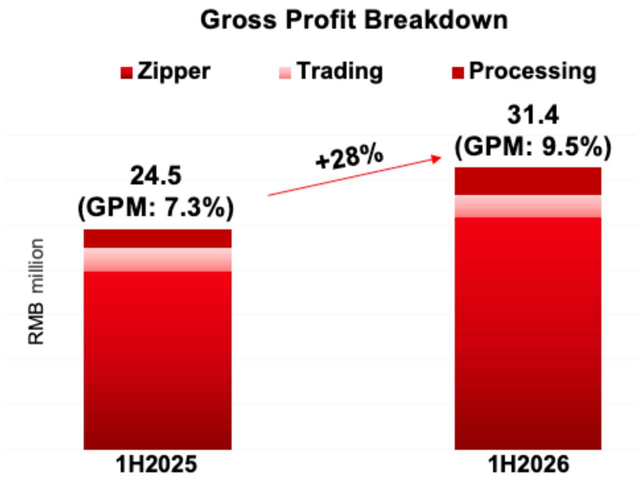
Under the Trading segment, revenue was lower at RMB98.8 million in 1H2026 (1H2025: RMB107.5 million), reflecting softer market demand during the period.

Under the Processing segment, revenue was lower at RMB23.9 million in 1H2026 (1H2025: RMB28.1 million), primarily reflecting the lower processing activities in 1H2026 mainly due to disposal of its subsidiary engaged in zipper processing activities in August 2025.



Gross profit increased with improved gross profit margin: While revenue remained relatively stable in 1H2026, the Group's gross profit increased 28% to RMB31.4 million in 1H2026 (1H2025: RMB24.5 million), with overall gross profit margin improving to 9.5% (1H2025: 7.3%), mainly attributable to the Zipper and Processing segments.

Fuxing China Group Limited



The Zipper, Trading and Processing segment contributed 82.1%, 8.1%, and 9.8% of the Group's gross profit in 1H2026 respectively, as follows:

- Under the Zipper segment, gross profit increased 30% to RMB25.8 million in 1H2026 (1H2025: RMB19.8 million), with gross profit margin improving to 12.4% (1H2025: 9.9%), mainly due to higher selling prices across its zipper product categories.
- Under the Trading segment, gross profit remained relatively stable at RMB2.6 million in 1H2026 (1H2025: RMB2.7 million), with gross profit margin improving slightly to 2.6% (1H2025: 2.5%).
- Under the Processing segment, gross profit increased 57% to RMB3.1 million in 1H2026 (1H2025: RMB2.0 million), with gross profit margin improving to 8.4% (1H2025: 3.7%), reflecting improved operational efficiency.

Lower operating expenses and finance costs supported the turnaround to profitability: The Group's return to profitability in 1H2026 was supported by disciplined cost management and lower financing costs, as follows:

- **Marketing and distribution expenses** decreased 15% to RMB5.3 million in 1H2026 (1H2025: RMB 6.2 million), mainly due to lower business trips and entertainment expenses arising from reduced promotional activities, including roadshows and exhibitions.
- **General and administrative expenses** decreased 11% to RMB23.3 million in 1H2026 (1H2025: RMB26.1 million), mainly due to lower loss allowance for trade receivables and lower depreciation expenses during the period.
- **Finance expenses** declined 51% to RMB1.7 million in 1H2026 (1H2025: RMB3.4 million), mainly due to lower short-term bank borrowings.

Overall, the Group made a turnaround back to profitability with a net profit of RMB5.4 million in 1H2026, compared to a net loss of RMB9.6 million in 1H2025. Profit attributable to shareholders amounted to RMB5.1 million, compared to a loss attributable to shareholders of RMB9.6 million in the corresponding period last year.

The Group continued to generate positive operating cash flow, recording net cash generated from operating activities of RMB17.6 million in 1H2026 (1H2025: RMB36.4 million). There was lower operating cash flow generated during the period that was mainly due to higher inventories and prepayments, as the Group built up raw material inventories to support production requirements ahead.

Balance sheet remained strong across key components with net asset per share of RMB 29.80 (est. S$5.65) as at 30 June 2026:

1. **Assets – Healthy liquidity position maintained**

As at 30 June 2026, total assets stood at RMB832.6 million (as at 31 December 2025: RMB829.7 million), with non-current assets of RMB270.9 million and current assets of RMB561.8 million.

Key components of non-current assets are:

- Property, plant and equipment of RMB214.7 million
- Investment properties of RMB39.0 million
- Land use rights of RMB15.6 million

Key components of current assets are:

- Trade and other receivables of RMB221.1 million
- Cash and short-term deposits of RMB199.3 million
- Inventories of RMB86.1 million
- Prepayments of RMB55.3 million

2. Liabilities – Continued deleveraging with reduction in loans and borrowings

As at 30 June 2026, total liabilities remained stable at RMB230.5 million (as at 31 December 2025: RMB231.8 million) with non-current liabilities of RMB14.1 million and current liabilities of RMB216.3 million. The Group continued to lower its gearing, with loans and borrowings decreasing 17% (or RMB18.9 million) during the period.

Key components of current liabilities are:

- Loans and borrowings of RMB94.8 million
- Trade and other payables of RMB117.3 million
- Income tax payable of RMB4.3 million

3. Equity – Strengthened capital base

As at 30 June 2026, total equity increased marginally to RMB602.1 million (as at 31 December 2025: RMB598.0 million), bolstered by the Group's turnaround in profitability during the period. Net asset value per share stood at RMB29.80 as at 30 June 2026 (31 December 2025: RMB33.90).

Focusing on margin expansion through enhanced operational efficiency, utilising greater automation, and increased direct-to-brand sales:

To strengthen long-term competitiveness and enhance its financial performance, the Group will continue to focus on:

- Enhancing operational efficiency through greater automation and digitalisation initiatives.
- Maintaining prudent cost management and disciplined capital allocation to preserve financial flexibility.
- Expanding its customer base through increased sales outreach and strengthening direct-to-brand relationships.
- Closely managing working capital, receivables, and collections to support sustainable business growth.

-END-

Fuxing China Group Limited

This press release is to be read in conjunction with the Company's announcement released on 14 August 2026, which can be downloaded via www.sgx.com.

About Fuxing China Group Limited
(Bloomberg: FUXC:SP / Reuters: FXCG.SI / SGX Stock Code: AWK)

Established in 1993, Fuxing China Group Limited is the 4th largest zipper manufacturer globally in terms of sales value. Over the past 30 years, the Group has built strong integrated manufacturing capabilities, developed its proprietary "3F" brand, and established a solid market reputation alongside a diversified customer base in the PRC.

Serving over 1,600 customers and trusted by renowned brands such as Peak, ERKE, 361°, Li-Ning, Samsonite and Northpole China, the Group's zipper products are widely used in apparel, footwear, bags and camping equipment.

With strong emphasis on quality assurance and research and development, the Group has obtained various international certifications in recognition of its quality standards and innovation capabilities.

For more information, please visit https://www.3fzipper-ir.com/

Issued on behalf of Fuxing China Group Limited

Media and Investor Contacts:
Mr Alex Tan / Mobile: +65 9451 5252 / Email: alex.tan@8prasia.com