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

PROPOSED BONUS ISSUE OF UP TO 10,240,858 NEW ORDINARY SHARES OF PAR VALUE S$0.02 EACH IN THE CAPITAL OF FUXING CHINA GROUP LIMITED ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF PAR VALUE S$0.02 EACH IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of Fuxing China Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Company is proposing a bonus issue (the "**Proposed Bonus Issue**") of up to 10,240,858 new ordinary shares of par value S$0.02 each in the capital of the Company (the "**Bonus Shares**"), on the basis of one (1) Bonus Share to be credited as fully paid for every two (2) existing ordinary shares of par value S$0.02 each in the capital of the Company ("**Shares**") held by shareholders of the Company ("**Shareholders**") as at the record date (the "**Record Date**") to be determined by the Directors for the purpose of determining the entitlement of Shareholders under the Proposed Bonus Issue, fractional entitlements to be disregarded.

2. TERMS OF THE PROPOSED BONUS ISSUE

2.1. Bonus Shares

The actual number of Bonus Shares to be issued by the Company will depend on the total issued share capital of the Company as at the Record Date. Based on the existing issued share capital of the Company comprising 20,481,716 Shares (excluding 327,720 treasury shares) as at the date of this announcement, up to 10,240,858 Bonus Shares will be issued pursuant to the Proposed Bonus Issue (assuming there is no change in the number of issued Shares from the date of this announcement up to the Record Date). As such, the Company's enlarged issued share capital will increase up to 30,722,574 Shares as a result of the Proposed Bonus Issue.

The Bonus Shares will be allotted and issued as fully paid to entitled Shareholders by way of capitalising up to S$204,817.16 from the Company's retained earnings and applying the same towards payment in full at par value for the Bonus Shares. Accordingly, no payment is required to be made by entitled Shareholders for the Bonus Shares issued to them. The Bonus Shares, when allotted and issued, will rank *pari passu* in all respects with the existing fully paid issued Shares, except that the Bonus Shares will not be entitled to any dividends, rights, allotments or other distributions, the record date of which falls on a date before the date on which the Bonus Shares are allotted and issued.

The Bonus Shares represent 50% of the existing issued share capital of the Company as at the date of this announcement and approximately 33.33% of the enlarged issued share capital of the Company following the completion of the Proposed Bonus Issue, assuming there is no change to the total issued share capital of the Company as at the Record Date.

2.2. Special General Meeting

The share issue mandate ("**General Mandate**") granted by Shareholders at the annual general meeting of the Company held on 29 April 2026 ("**2026 AGM**") only authorises the Directors to, among others, allot and issue such number of new Shares not exceeding 50% of the total number of issued Shares (excluding treasury shares) as at the date of the 2026 AGM on a *pro rata* basis to existing Shareholders. Based on the issued share capital of the Company comprising 20,205,438 Shares (excluding 277,720 treasury shares) as at the date of the 2026 AGM, the issuance of the 10,240,858 Bonus Shares will exceed the maximum number authorised under the General Mandate granted by Shareholders at the 2026 AGM.

Accordingly, the Company will convene a special general meeting ("**SGM**") to obtain Shareholders' approval for the Proposed Bonus Issue. A circular containing, among others, notice of the SGM and further information on the Proposed Bonus Issue ("**Circular**") will be despatched to Shareholders in due course.

2.3. Compliance with the Listing Manual

Pursuant to Rule 838 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual (the "**Listing Manual**"), an issuer must satisfy the SGX-ST that the daily weighted average price of its shares, adjusted for the bonus issue, will not be less than S$0.50 (the "**Minimum Price**"). In compliance with Rule 838 of the Listing Manual, the issuer should compute such adjusted price based on the proposed bonus issue ratio and the lowest daily weighted share price of its shares for the one-month period preceding the issuer's proposed bonus issue application.

For illustration purposes only and assuming that the Proposed Bonus Issue application was made on 14 August 2026, being the date of this announcement, the lowest daily weighted average price of the Shares for the one-month period preceding 14 August 2026 would be S$0.800 and accordingly, the theoretical ex-bonus price ("**TEBP**") would be calculated as follows:-

$$\begin{aligned} TEBP &= \frac{\text{S\$0.800}}{3} \times 2 \\ &= \text{S\$0.533} \end{aligned}$$

Accordingly, the TEBP will be above the Minimum Price. Further, the Company confirms that, as at the date of this announcement, there is no reason to believe that the TEBP is likely to fall below S$0.50 for the one-month period preceding the date of the application to the SGX-ST for the listing and quotation of the Bonus Shares on the Mainboard of the SGX-ST.

2.4. Approvals

The Proposed Bonus Issue is subject to, among others, the following:-

(a) the approval of Shareholders for the Proposed Bonus Issue at the SGM to be convened; and

(b) the receipt of in-principle approval of the SGX-ST for the listing and quotation of the Bonus Shares arising from the Proposed Bonus Issue on the Mainboard of the SGX-ST and compliance with such conditions (if any) as the SGX-ST may impose in connection therewith.

An application will be made to the SGX-ST for the dealing in, listing of and quotation for the Bonus Shares pursuant to the Proposed Bonus Issue on the Mainboard of the SGX-ST. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

2.5. Record Date

The Bonus Shares will be issued to Shareholders whose names appear in the Register of Members of the Company or the records of The Central Depository (Pte) Limited, as the case may be, as at the Record Date to be determined by the Directors for the purpose of determining the entitlements of Shareholders under the Proposed Bonus Issue. Notice of the Record Date will be given at a later date, after all the necessary approvals in respect of the Proposed Bonus Issue (including, without limitation, the approvals from the SGX-ST) have been obtained.

3. RATIONALE FOR THE PROPOSED BONUS ISSUE

The Company is proposing the Proposed Bonus Issue to increase the issued share capital base of the Company to reflect the growth and expansion of its business and to reward and give due recognition to Shareholders for their loyalty and continuing support for the Company.

The price of each Share has seen significant appreciation from S$0.255 in October 2025 to S$0.800 preceding the date of this announcement. The Proposed Bonus Issue will also increase the accessibility of investing in the Company to more investors as the Proposed Bonus Issue will result in a lower theoretical price for each Share after the completion of the Proposed Bonus Issue. Assuming that the Proposed Bonus Issue had been completed on the Latest Practicable Date, the theoretical price for each Share shall be S$0.533 (rounded down to nearest three (3) decimal points) as set out in paragraph 2.3. above. Accordingly, barring any unforeseen circumstances, the Proposed Bonus Issue should encourage trading liquidity and greater participation by investors and broaden the shareholder base of the Company. A more active and liquid market for the Shares should better position the Company to attract interest from both institutional and retail investors.

Shareholders should, however, note that there can be no assurance that the Proposed Bonus Issue will achieve the desired results described above or benefit all Shareholders, nor is there any assurance that such results (if achieved) can be sustained in the longer term. Shareholders should also note that there can be no assurance that the market price of the Shares after the completion of the Proposed Bonus Issue would be equal to or higher than the theoretical price for the Shares following the completion of the Proposed Bonus Issue.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Bonus Issue other than through their respective shareholdings in the Company, if any.

5. 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 Proposed Bonus Issue, 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 the 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 the announcement in its proper form and context.

6. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the Proposed Bonus Issue is subject to, among others, the necessary approvals being obtained by the Company, and are therefore advised to exercise caution when dealing or trading in the Shares. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

FOR AND ON BEHALF OF THE BOARD

Hong Qing Liang
Executive Chairman
14 August 2026