NEWS RELEASE

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Fuxing China completes trial production of finished zippers in new Qingdao plant

- *Caters to customers in the northern region of the PRC*
- *Finished zippers command higher profit margins as compared with zipper chains and sliders*

SINGAPORE – 4 February 2008 **–Fuxing China Group Limited** *("Fuxing China" or "the Group"),* one of the few vertically integrated zipper manufacturers in the PRC, is pleased to announce that it has completed trial production of finished zippers at its new Qingdao plant.

Set up to cater to customers in the northern region of the PRC, the Qingdao plant, which houses 113 sets of machinery for the production of finished zippers, has an annual production capacity of 70 million pieces of finished zippers.

Said Mr Hong Qing Liang (洪清凉), Chief Executive Officer of Fuxing China, "Having completed the trial production at our Qingdao plant, we are now ready to commence commercial production. Since the beginning of January 2008, we have started producing a small quantity of finished zippers for several apparel manufacturers in Qingdao."

In addition, the Group's marketing team has also been actively prospecting for new clients in the northern region of the PRC.

Mr Hong added, "Demand for our finished zipper products in Qingdao is expected to be strong as there are many well-known local apparel manufacturers located around that area. In addition, some of our existing clients with operations near Qingdao have given us positive feedback about our expansion there as the close proximity reduces transportation and delivery time, hence allowing them to place bigger and more important orders with us."

The Qingdao operations are carried out from a building that is leased from Qingdao Hong Shi Fuxing High Technological Co. Ltd ("Qingdao Hong Shi Fuxing"), which is owned by Mr Hong's daughter, Ms Hong Yanru.

Concurrently, Fuxing China is in the process of acquiring Qingdao Hong Shi Fuxing at a consideration amount of HK$17.30 million, which has been derived on a willing-buyer, willing-seller basis, taking into account the valuation report prepared by independent valuer Jinjiang Decheng Valuation Co. Ltd. The terms of the acquisition has been reviewed by the Audit Committee and will be funded by Fuxing China's IPO proceeds. When the acquisition is completed, Fuxing China will immediately inherit the land and building of Qingdao Hong Shi Fuxing.

New weaving machines installed at Group's existing Jinjiang plant

In December 2007, Fuxing China completed the installation of new weaving machines at its existing plant in Jinjiang City to further support the new finished zipper assembly line. In total, with the existing capacity in the Jinjiang plant, Fuxing can produce 380 million pieces of finished zippers per year.

Mr Hong explained, “When we first established Fuxing China in 1993, our aim was to build up our scale and customer base as well as heighten our profile in the fastest possible time. Hence, the business direction of producing upstream products such as sliders and chains as this allows us to sell our products to a wider group of customers, from apparel manufacturers, trading companies and even other zipper manufacturers who further process or assemble zipper products into finished zippers.

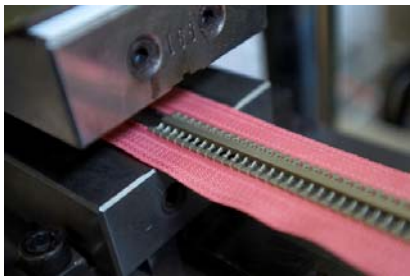
In the past 14 years, we are thankful to have grown rapidly and reach our current scale of operations. We believe that our size, along with our integrated capabilities, set us apart from the other 2,000 zipper product manufacturers in the PRC, most of whom are small to mid-sized outfits which do not have integrated facilities, and are dependent on other zipper component suppliers.

The Group has now reached a stage where we are ready for the next phase of growth – expand downstream to produce finish zippers and capture profits for the last stage of zipper manufacturing. Finished zippers generally command higher margins than upstream products.”

SAC Capital Private Limited was the issue manager for the initial public offer of Fuxing China Group Limited (the "Company"). This announcement has been prepared and released by the Company.

About Fuxing China

Based in Jinjiang City, Fujian Province, and listed on SGX-ST on 24 September 2007, Fuxing China is one of few vertically-integrated zipper producers in the PRC with the ability to manufacture the entire zipper product from mould-making for the production of zipper sliders to manufacturing of fabric tape for zipper chains.



Zipper chain



Zipper slider

The Group's zipper products are sold mainly to PRC manufacturers of apparel and footwear products, camping equipment, bags, upholstery furnishings, trading companies as well as other zipper manufacturers in the PRC which further process or assemble zipper products to customise to their customers' needs.

Fuxing China has a diversified customer base of over 900 customers which are located in the PRC. Fuxing China's end products are also used by renowned brands such as Anta, Septwolves, CBA Leisu, Fujian Peak and Northpole China, in their products such as apparels, shoes, bags and camping equipment.

Since its establishment in 1993, Fuxing China has built up a credible track record and market reputation, having garnered 10 awards in the past 10 years. More notably, its proprietary "3F" brand has been named the "Symbolic Brand of China" (中国标志性品牌) by First Chinese Well-Known Mark Conference in 2006 and "PRC Top 10 Famous Zipper Brands" (中国拉链十大知名品牌) by The Hardware Association of the PRC in 2005.

More recently in January 2007, Fuxing China's products were awarded the Intertek Eco-Certification, which allows the Group's products to be sold in the international markets. Today, through trading companies, the Group's zipper products are exported to Australia, the EU, Russia, Turkey, Korea, Thailand, Vietnam and Indonesia.

To ensure continued innovation in product quality and improved efficiency, Fuxing China places strong emphasis on product and technical R&D. As a testimony of its strength in R&D, Fuxing China's R&D facility was certified as a "Fujian Provincial Level Enterprise Technology Center" in December 2006. The Group has been granted 5 design patents for its zipper sliders, while 2 utility patents are pending registration. The Group also has established a research partnership with the Software Institute of Xiamen University with the aim of enhancing production efficiencies in the manufacturing of zipper products.