NEWS RELEASE

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Fuxing China achieves RMB26.9 million in 3Q 2008 net profit

- *Focusing on finished zipper products helped to drive up the Group's gross profit margins which saw an improvement of 1.1 percentage points to 36.1%*

Financial Highlights (RMB'000)	3 months ended 30 September			9 months ended 30 September		
	2008	2007	Growth (%)	2008	2007	Growth (%)
Revenue	208,371	232,611	-10.42	615,337	661,810	-7.02
Gross profit	75,150	81,428	-7.71	227,975	234,687	-2.86
Gross profit margin	36.1%	35.0%	-	37.1%	35.5%	-
Net profit	26,860	48,072	-44.13	124,934	166,871	-25.13
Provision / (written back) for doubtful debts	19,878	2,942	575.66	17,884	(9,946)	279.81
Withholding tax	3,096	-	NM	13,896	-	NM
Net profit (excluding bad debt provisions and withholding tax)	49,834	51,014	-2.31	156,714	156,925	-0.13

SINGAPORE –11 November 2008 - Fuxing China Group Limited *("Fuxing China" or "the Group")*, one of the few vertically-integrated zipper manufacturers in the PRC, today reported that it achieved a net profit of RMB26.9 million for the third quarter ended 30 September 2008.

The Group's revenue declined by 10.4% to RMB208.4 million due to lower sales of zipper sliders as it focused efforts on growing its finished zipper segment which typically fetches higher margins. As a result, the Group managed to achieve an increase in gross profit margin from 35.0% in 3Q2007 to 36.1% in 3Q2008. Sales of finished zippers dipped 22.6% on a quarter-on-quarter basis (2Q2008 vs 3Q2008). This was due to a drop in demand for finished zippers as a result of fewer orders from customers in the month of September.

The Group highlighted that its 3Q 2008 net profit was distorted by the significantly higher amount of provision for doubtful debt, as compared to the corresponding period last year, and the inclusion of a non-performance related withholding tax of RMB3.1 million. Excluding the bad-debt provision and withholding tax, it would have achieved a higher net profit of RMB49.9 million which would have been close to the level attained in the same quarter last year.

Said Mr Hong Qing Liang (洪清凉), Chief Executive Officer of Fuxing China: "Due to the current global financial uncertainty, we are making higher provisions for doubtful debts, which we hope, will not be necessary as we are stepping up on our collection efforts. Nevertheless, our business environment is challenging and the external economic condition is expected to make an impact on our export business. At the same time, higher minimum wages imposed by the local government, coupled with inflation in the PRC, will continue to add pressure on our operating cost and gross profit margin."

"These notwithstanding, we believe that our strategy of focusing on higher-margin finished zipper products will continue to provide the growth impetus to ride us through the challenging times. We envisage that we should be able to maintain our gross profit margin in the near term," Mr Hong said.

Finished Zipper Capacity Update

The Group's Qingdao plant, which commenced operations in January 2008, produces finished zippers to cater to the apparel manufacturers in the northern region of the PRC. The plant, which has an annual capacity of 70 million pieces, has been registering healthy growth with a gradual increase in capacity utilization. Capacity utilization has grown to 90% in as at 30 September 2008.

Since February 2008, the Group had expanded its finished zipper capacity with the completion of a new finished zipper factory within its existing premises in Jinjiang City. It has also installed new weaving machinery at its existing facilities since December 2007. Together, these two plants in Jinjiang have an annual production capacity of 410 million pieces of finished zippers.

The Group is also building a new factory for finished zippers in Shanghai which is expected to be completed before 31 December 2008. It is currently producing a small quantity of finished zippers for several apparel manufacturers in Shanghai using a leased facility.

Earnings & Net Asset Value Per Share

Earnings per share for the three months ended 30 September 2008 was RMB0.03 while net asset value rose from RMB1.22 as at 31 December 2007 to RMB1.31 as at 30 September 2008.

Segmental Review

Financial Highlights	3 months ended 30 September			9 months ended 30 September		
	2008	2007	Growth (%)	2008	2007	Growth (%)
Revenue (RMB'000)						
Zipper Chain	145,317	137,240	5.89	421,887	374,339	12.70
Zipper Sliders	63,054	95,371	-33.89	193,450	287,471	-32.71
Total	208,371	232,611	-10.42	615,337	661,810	-7.02
Gross Profit (RMB'000)						
Zipper Chain	57,842	54,008	7.10	167,040	145,537	14.77
Zipper Sliders	17,308	27,420	-36.88	60,935	89,150	-31.65
Total	75,150	81,428	-7.71	227,975	234,687	- 2.86
Gross Profit Margin (%)						
Zipper Chain	39.80	39.35	-	39.59	38.88	-
Zipper Sliders	27.45	28.75	-	31.50	31.01	-
Total GP Margin	36.07	35.01	-	37.05	35.46	-

Zipper Chains (inclusive of finished zippers)

Revenue for Zipper Chains (which includes higher-margin finished zippers) grew 5.9% to RMB 145.3 million, boosted by a change in sales mix towards higher margin finished zippers. Gross profit margin for this segment improved slightly from 39.4% in 3Q2007 to 39.8% in 3Q2008.

The Group estimated that in 3Q2008 alone, finished zippers contributed about 27.4% and 32.9% of total sales and gross profit respectively.

Zipper Sliders

In the latest third quarter, sales of Zipper Sliders declined by 33.9% to RMB63.1 million due to the lower average cost of zinc which led to a decrease in the average selling price of the Group's Zipper Sliders.

In 3Q 2008, the Group reported a 37% decrease in the average cost of zinc year-on-year.

GP margin for Zipper Slider correspondingly dipped 1.3 percentage points to 27.5%, as the Group utilised its existing zinc inventory which were purchased at a higher price prior to the drop in zinc cost for part of its production.

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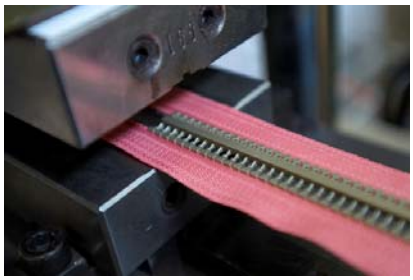
About Fuxing China

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.

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