FUXING CHINA GROUP LIMITED
(Incorporated in Bermuda)
(Co. Reg. No: 38973)

QUARTERLY FINANCIAL STATEMENT ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Statement of Comprehensive Income for the Third Quarter ended 30/09/2009. These figures have not been audited.

	Group			Group		
	3 months Ended 30/9/2009 Unaudited	3 months Ended 30/9/2008 Unaudited	Increase/ (Decrease)	9 months Ended 30/9/2009 Unaudited	9 months Ended 30/9/2008 Unaudited	Increase/ (Decrease)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	127,833	208,371	(38.65)	329,169	615,337	(46.51)
Cost of sales	(111,125)	(133,221)	(16.59)	(276,391)	(387,362)	(28.65)
Gross profit	16,708	75,150	(77.77)	52,778	227,975	(76.85)
Other income and expenses	11	(1,964)	(100.56)	658	206	219.42
Selling and distribution expenses	(1,082)	(1,563)	(30.77)	(2,763)	(3,822)	(27.71)
General and administrative expenses	(1,382)	(22,604)	(93.89)	(14,294)	(31,162)	(54.13)
Profit from operating activities	14,255	49,019	(70.92)	36,379	193,197	(81.17)
Interest income	621	55	1029.09	2,165	201	977.11
Interest expenses	(757)	(2,414)	(68.64)	(5,368)	(5,147)	4.29
Foreign exchange gain/(loss)	114	242	(52.89)	(163)	2,860	(105.70)
Profit before taxation	14,233	46,902	(69.65)	33,013	191,111	(82.73)
Tax expense	(4,318)	(20,042)	(78.46)	(12,638)	(66,177)	(80.90)
Net profit attributable to shareholders	9,915	26,860	(63.09)	20,375	124,934	(83.69)
Statement of Comprehensive Income						
Net profit attributable to shareholders	9,915	26,860	(63.09)	20,375	124,934	(83.69)
Other comprehensive income for the period						
Exchange differences on translating foreign operations	-	-	NM	1	-	NM
Total comprehensive income for the period attributable to shareholders	9,915	26,860	(63.09)	20,376	124,934	(83.69)

Note: The Group's profit before taxation is determined after charging the following items:

(Write-back of allowance for)/allowance for doubtful trade receivables	(4,851)	19,878	(124.40)	(2,387)	17,884	(113.35)
Amortisation of land use rights	131	93	40.86	392	237	65.40
Amortisation of intangible assets	2	27	(92.59)	6	79	(92.41)
Intangible assets written off	-	647	NM	-	610	NM
Depreciation of property, plant and equipment	6,255	4,673	33.85	16,408	13,086	25.39
Salaries and bonuses	10,753	11,083	(2.98)	26,527	28,190	(5.90)

NM: Not Meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/09/2009 Unaudited	31/12/2008 Audited	30/09/2009 Unaudited	31/12/2008 Audited
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	188,691	167,554	-	-
Investment property	47,555	-		
Land use rights	23,336	23,728	-	-
Intangible assets	20,502	20,508	-	-
Investment in subsidiaries	-	-	344,853	344,853
	280,084	211,790	344,853	344,853
Current assets				
Inventories	54,352	42,001	-	-
Trade receivables, net	167,080	285,560	-	-
Other receivables and prepayments	111,034	473,968	-	-
Amount due from subsidiaries (non-trade)	-	-	456,000	433,580
Fixed deposits	25,097	75,331	-	-
Cash and bank balances	654,177	286,007	38,585	-
	1,011,740	1,162,867	494,585	433,580
Total assets	1,291,824	1,374,657	839,438	778,433
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital	757,211	738,707	757,211	738,707
Treasury shares	(2,307)	-	(2,307)	-
Restructuring reserve	(117,878)	(117,878)	-	-
Accumulated profits	370,016	357,560	23,410	(5,143)
Translation reserve	1	-	-	-
Reserve fund	37,825	37,825	-	-
Contributed surplus	39,573	39,573	39,573	39,573
Total equity	1,084,441	1,055,787	817,887	773,137
Non-current liabilities				
Mortgage loan	29,465	-	-	-
Deferred tax liabilities	24,850	21,488	-	-
	54,315	21,488	-	-
Current liabilities				
Trade payables	7,017	33,542	-	-
Bills payable to banks	31,885	56,935	-	-
Other payables & accruals	78,496	61,632	21,551	4,936
Amount due to directors (non-trade)	79	6,010	-	-
Amount due to subsidiaries (non-trade)	-	-	-	360
Mortgage loan	2,408	-	-	-
Short-term bank loans	13,000	111,500	-	-
Bank overdrafts	19,296	20,435	-	-
Income tax payable	887	7,328	-	-
Total current liabilities	153,068	297,382	21,551	5,296
Total liabilities	207,383	318,870	21,551	5,296
Total equity and liabilities	1,291,824	1,374,657	839,438	778,433

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 30 September 2009		As at 31 December 2008	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Bills payable to banks[1]	31,885	-	56,935	-
Short-term bank loans[2]	13,000	-	111,500	-
Mortgage loan[3]	2,408	-	-	-
Bank overdrafts[4]	19,296	-	20,435	-

Amount repayable after one year

	As at 30 September 2009		As at 31 December 2008	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Bills payable to banks	-	-	-	-
Short-term bank loans	-	-	-	-
Mortgage loan[3]	29,465	-	-	-
Bank overdrafts	-	-	-	-

Notes :

[1] RMB 3.2 million is secured by bank deposits of Fuxing Textile (Shanghai) Co., Ltd; and RMB 28.7 million is secured by personal guarantee from an independent third party and corporate guarantee by Fuxing China Group Limited.

[2] RMB 13.0 million is secured by certain buildings owned by Fuxing Textile (Shanghai) Co., Ltd.

[3] Mortgage loan is secured by investment property owned by Fook Hing Group Trading Co., Ltd., located at 16/F., Tower II, Enterprise Square, No. 9 Sheung Yue Road, Kowloon.

[4] Bank overdrafts are secured by personal guarantee from an independent third party and corporate guarantee by Fuxing China Group Limited.

1**(c)** A cash flow statement for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months Ended 30/9/2009 Unaudited RMB'000	3 months Ended 30/9/2008 Unaudited RMB'000	9 months Ended 30/9/2009 Unaudited RMB'000	9 months Ended 30/9/2008 Unaudited RMB'000
OPERATING ACTIVITIES				
Profit before taxation	14,233	46,902	33,013	191,111
Adjustments for:				
Depreciation of property, plant and equipment	6,255	4,673	16,408	13,086
Amortisation of land use rights	131	93	392	237
Amortisation of intangible assets	2	27	6	79
Intangible assets written off	-	647	-	610
(Write-back of allowance for)/allowance for doubtful trade receivables	(4,851)	19,878	(2,387)	17,884
Interest expense	757	2,414	5,368	5,147
Interest income	(621)	(55)	(2,166)	(201)
Foreign currency gain	(61)	240	(28)	-
Total adjustments	1,612	27,917	17,593	36,842
Operating cash flows before changes in working capital	**15,845**	**74,819**	**50,606**	**227,953**
(Increase) Decrease in:				
Inventories	30,602	7,154	(12,352)	3,169
Trade receivables	21,650	(18,428)	120,866	(81,710)
Other receivables & prepayments	34,365	45,231	362,936	54,521
Increase (Decrease) in:				
Trade payables	(3,242)	7,756	(26,525)	(7,285)
Other payables & accruals	31,043	(12,860)	16,868	(10,741)
Due to related parties (non-trade)	-	15,603	-	-
Due to directors	(4,727)	1,200	(5,931)	1,869
Total changes in working capital	109,691	45,656	455,862	(40,177)
Cash flows generated from operations	**125,536**	**120,475**	**506,468**	**187,776**
Interest expense paid	(757)	(2,414)	(5,368)	(5,147)
Interest income received	621	55	2,166	201
Income tax paid	(5,408)	(18,966)	(15,719)	(54,972)
Net cash generated from operating activities	**119,992**	**99,150**	**487,547**	**127,858**
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(1,772)	(4,018)	(37,545)	(12,863)
Purchase of investment property	(47,555)	-	(47,555)	-
Purchase of software	-	-	-	(40)
Acquisition of subsidiaries, net of cash acquired	-	(49,385)	-	(49,239)
Net cash used in investing activities	**(49,327)**	**(53,403)**	**(85,100)**	**(62,142)**
FINANCING ACTIVITIES				
Issuance of new ordinary shares pursuant to the Placement	18,504	-	18,504	-
Purchase of treasury shares	-	-	(2,307)	-
Proceeds from mortgage loan	32,072	-	32,072	-
Repayments of mortgage loan	(199)	-	(199)	-
Proceeds from short-term bank borrowings	-	20,000	11,000	96,000
Repayments of short-term bank borrowings	(2,500)	-	(109,500)	(81,100)
Proceeds from bills payable	38,599	-	84,135	31,000
Repayment of bills payable	(39,389)	(12,000)	(109,157)	(50,000)
Dividend paid	-	(31,669)	(7,919)	(56,000)
(Increase) decrease in fixed deposits pledged to banks	(48)	1,900	(2,967)	2,900
Net cash generated from (used in) financing activities	**47,039**	**(21,769)**	**(86,338)**	**(57,200)**
NET INCREASE IN CASH & CASH EQUIVALENTS	**117,704**	**23,978**	**316,109**	**8,516**
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	**517,177**	**434,141**	**318,772**	**449,603**
CASH & CASH EQUIVALENTS AT END OF PERIOD	**634,881**	**458,119**	**634,881**	**458,119**

Notes to the combined statement of cash flows

Cash and cash equivalents included in the combined statement of cash flows comprise the following:

	3 months Ended 30/9/2009 Unaudited	3 months Ended 30/9/2008 Unaudited	9 months Ended 30/9/2009 Unaudited	9 months Ended 30/9/2008 Unaudited
	RMB'000	RMB'000	RMB'000	RMB'000
Fixed deposits	25,097	110	25,097	110
Cash and bank balances	654,177	458,119	654,177	458,119
	679,274	458,229	679,274	458,229
Less: bank overdraft	(19,296)	-	(19,296)	-
fixed deposits (pledged)	(25,097)	(110)	(25,097)	(110)
Cash and cash equivalents	634,881	458,119	634,881	458,119

Fixed deposits amounting to RMB 695,000 (2008: RMB 110,000) and RMB 24,402,000 (2008: Nil) are pledged to banks for the Group's bills payable to banks and bank overdrafts respectively.

1(d)(i) A statement for the issuer and group showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Treasury shares	Reserve fund	Contributed surplus	Restructuring reserve*	Translation reserve	Accumulated profits / (losses)	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group								
At 1 January 2008, as previously reported	738,707	-	-	39,573	-	-	197,023	975,303
Prior year adjustments	-	-	37,825	-	(117,878)	-	80,061	8
Opening balance as at 1 January 2008, as restated	738,707	-	37,825	39,573	(117,878)	-	277,084	975,311
Total comprehensive income for the period	-	-	-	-	-	-	124,934	124,934
Dividend paid	-	-	-	-	-	-	(56,000)	(56,000)
Closing balance at 30 September 2008	738,707	-	37,825	39,573	(117,878)	-	346,018	1,044,245
At 1 January 2009	738,707	-	37,825	39,573	(117,878)	-	357,560	1,055,787
Total comprehensive income for the period	-	-	-	-	-	1	20,375	20,376
Repurchase of shares	-	(2,307)	-	-	-	-	-	(2,307)
Issuance of new ordinary shares pursuant to the placement	19,293	-	-	-	-	-	-	19,293
Share issue expenses	(789)	-	-	-	-	-	-	(789)
Dividend paid	-	-	-	-	-	-	(7,919)	(7,919)
Closing balance at 30 September 2009	757,211	(2,307)	37,825	39,573	(117,878)	1	370,016	1,084,441
Company								
At 1 January 2008	738,707	-	-	39,573	-	-	(7,746)	770,534
Total comprehensive income for the period	-	-	-	-	-	-	64,586	64,586
Dividend paid	-	-	-	-	-	-	(56,000)	(56,000)
At 30 September 2008	738,707	-	-	39,573	-	-	840	779,120
At 1 January 2009	738,707	-	-	39,573	-	-	(5,143)	773,137
Total comprehensive income for the period	-	-	-	-	-	-	36,472	36,472
Repurchase of shares	-	(2,307)	-	-	-	-	-	(2,307)
Issuance of new ordinary shares pursuant to the placement	19,293	-	-	-	-	-	-	19,293
Share issue expenses	(789)	-	-	-	-	-	-	(789)
Dividend paid	-	-	-	-	-	-	(7,919)	(7,919)
At 30 September 2009	757,211	(2,307)	-	39,573	-	-	23,410	817,887

Note:

* **Restructuring reserve:**
This represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and capital reserve of subsidiaries acquired which is accounted for under "merger accounting".

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Buy-back
During the period from 2 March 2009 to 17 April 2009, the Company purchased 8,124,000 of its ordinary shares pursuant to the share buy-back mandate approved by shareholders on 31 October 2008. These shares were acquired by way of market acquisitions for a total consideration of S$508,940 and are held as treasury shares by the Company. There were no shares acquired in FY2008.

Placement of shares
On 30 September 2009, the Company issued and allotted 39,604,000 new Shares pursuant to the placement agreement dated 9 September 2009. These shares were issued at S$0.101 per Share, amounting to an aggregate consideration of S$4,000,004. There were no shares issued in FY 2008.

Notes Subscription
On 30 September 2009, the Company had entered into a Notes Subscription agreement in relation to the issuance of 39,604,000 conversion shares at S$0.101 per share, due September 2011 with a principal amount of S$4,000,004. The proposed convertible notes had been approved by shareholders of the Company via a Special General Meeting held on 6 November 2009. There were no convertible notes issuance in FY2008.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceeding year.

	30 September 2009	**31 December 2008**
Total number of issued shares excluding treasury shares	831,480,000	800,000,000

There were a total of 8,124,000 treasury shares as 30 September 2009.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

	Treasury shares
Total number of shares as at 1 January 2009	-
Purchases of shares during the period	8,124,000
Total number of shares as at 30 September 2009	8,124,000

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 September 2009.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company have adopted the same accounting policies and methods of computation in the financial statements for nine months ended 30 September 2009 with those of the audited financial statements as at 31 December 2008.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all new revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2009. The FRS that are relevant to the Group include FRS 1 Presentation of Financial Statements – Revised Presentation, Amendments to FRS 23 – Borrowings Costs, Amendments to FRS 107 Financial Instruments – Improving Disclosures about Financial Instruments and FRS 108 Operating Segments. The adoption of these new/revised FRS and INT FRS does not result in substantial change to the Group's and Company's accounting policies or have any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share of the group, after deducting any provision for preference dividends (in RMB):	Group		Group	
	3 months ended 30/9/2009	**3 months ended 30/9/2008**	**9 months ended 30/9/2009**	**9 months ended 30/9/2008**
(a) Basic and	0.01	0.03	0.03	0.16
(b) On a fully diluted basis	0.01	0.03	0.03	0.16

Note: The computation is based on weighted average number of shares in issue in 2009: 794,342,377 ordinary shares (2008: 800,000,000).

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/9/2009	**31/12/2008**	**30/9/2009**	**31/12/2008**
Net asset value per ordinary share based on issued share capital at the end of the period (in RMB): (Number of ordinary shares in issue as at 30/9/2009: 831,480,000 (31/12/2008: 800,000,000 shares)	1.30	1.32	0.98	0.97

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable)seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

	Group			Group		
	3 months Ended 30/9/2009 Unaudited	3 months Ended 30/9/2008 Unaudited	Increase/ (Decrease)	9 months Ended 30/9/2009 Unaudited	9 months Ended 30/9/2008 Unaudited	Increase/ (Decrease)
REVENUE	**RMB'000**	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Finished zipper	14,641	52,735	(72.24)	43,275	181,497	(76.16)
Zipper Chain	42,751	92,582	(53.82)	106,853	240,390	(55.55)
Zipper Slider	25,936	63,054	(58.87)	67,396	193,450	(65.16)
Knitting Wool	5,379	-	NM	12,067	-	NM
Trading	39,126	-	NM	99,578	-	NM
Total Group Revenue	127,833	208,371	(38.65)	329,169	615,337	(46.51)
COST OF SALES						
Finished zipper	11,149	31,501	(64.61)	32,589	107,225	(69.61)
Zipper Chain	33,819	55,974	(39.58)	79,862	140,283	(43.07)
Zipper Slider	22,582	45,746	(50.64)	55,072	139,854	(60.62)
Knitting Wool	5,839	-	NM	12,600	-	NM
Trading	37,736	-	NM	96,268	-	NM
Total Group Cost of Sales	111,125	133,221	(16.59)	276,391	387,362	(28.65)
GROSS PROFIT/(LOSS)						
Finished zipper	3,492	21,234	(83.55)	10,686	74,272	(85.61)
Zipper Chain	8,932	36,608	(75.60)	26,991	100,107	(73.04)
Zipper Slider	3,354	17,308	(80.62)	12,324	53,596	(77.01)
Knitting Wool	(460)	-	NM	(533)	-	NM
Trading	1,390	-	NM	3,310	-	NM
Total Gross Profit	16,708	75,150	(77.77)	52,778	227,975	(76.85)
GROSS PROFIT/(LOSS) MARGIN						
	%	%	%	%	%	%
Finished zipper	23.85	40.27	(16.42)	24.69	40.92	(16.23)
Zipper Chain	20.89	39.54	(18.65)	25.26	41.64	(16.38)
Zipper Slider	12.93	27.45	(14.52)	18.29	27.71	(9.42)
Knitting Wool	(8.55)	-	NM	(4.42)	-	NM
Trading	3.55	-	NM	3.32	-	NM
Total Gross Profit/(Loss) Margin	13.07	36.07	(23.00)	16.03	37.05	(21.02)

NM: Not Meaningful

9MFY09 vs 9MFY08

Revenue

The Group's revenue decreased by RMB 286.2 million (or 46.51%) to RMB 329.2 million in 9M09 compared to the previous corresponding period. The decrease in revenue was due mainly to the decrease in the sales of Finished Zippers (RMB 138.2 million), Zipper Chains (RMB 133.5 million) and Zipper Sliders (RMB 126.1 million) (collectively known as "Zipper Segment"). This was partially offset by the increase in revenue from the Knitting Wool (RMB 12.0 million) and Trading (RMB 99.6 million) segments.

The decrease in revenue from the Zipper Segment was attributable to the decrease in the Group's export business for both direct overseas customers and export oriented garment factories. The decrease in the average selling prices of the Group's Zipper Segment was as a result of more competitive prices being offered to the Group's customers to retain its working relationship with them as well as a decrease in raw materials prices.

The Knitting Wool and Trading segments were introduced in the second half of FY2008 following the setting up of the Group's Shanghai factory and its Hong Kong office respectively.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by RMB 175.2 million (or 76.85%) to RMB 52.8 million in 9M09 compared to the previous corresponding period. Gross profit margin of the Group declined by 21.02% to 16.03% in 9M09. This was largely attributable to the lower average selling prices from the Zipper Segment (as explained above) coupled with a lower decrease in the Group's raw material prices.

The gross loss in the Knitting Wool segment was attributable to an increase in raw materials costs.

Other income and other expenses

Other income comprises government subsidies while other expenses mainly consist of bank charges. The net increase was due mainly to the write back of allowance for doubtful trade receivables (RMB2.4 million) following the stepping up of the Group's collection efforts.

Selling and distribution expenses

Selling and distribution expenses decreased by RMB 1.1 million (or 27.71%) to RMB 2.8 million in 9M09. The decrease was due mainly to a decrease in the salaries and commission paid in 9M09 as a result of a decrease in Group's revenue.

General and administrative expenses

General and administrative expenses decreased by RMB 16.9 million (or 54.12%) to RMB 14.3 million in 9M09. This was largely due to the provision for doubtful debts (RMB 17.9 million) in 9M08.

Interest income and expenses

Interest expenses increased by RMB 0.2 million (or 4.29%) to RMB 5.4 million in 9M09. This was attributable to the increase in mortgage loan during 9M09. Interest income was higher in 9M09 as a result of an increase in cash and bank balances and fixed deposits.

Foreign exchange (loss) gain

The foreign exchange gain in 9M08 arose due to the translation of bank balance denominated in Japanese Yen as a result of higher JPY/RMB exchange rate. This bank balance was withdrawn in 3QFY08. In 9M09, there were no significant bank balances denominated in foreign currencies. The foreign exchange loss in 9M09 arose as a result of the strengthening of RMB against the Group's foreign currencies such as HKD, SGD and USD which are mainly used for the transactions of the Group's Hong Kong sales office and professional expenses incurred.

Tax expense

	Group		
	9 months Ended 30/9/2009 Unaudited	**9 months Ended 30/9/2008 Unaudited**	**Increase/ (Decrease)**
	RMB'000	**RMB'000**	**%**
Current tax[1]	(9,276)	(52,281)	(82.25)
Deferred tax[2]	(3,362)	(13,896)	(75.81)
Tax expense	(12,638)	(66,177)	(80.90)

Note

[1] Current tax decreased by RMB 44.0 million or 82.25% due to lower profit before taxation in 9M09.

[2] On 22 February 2008, the State Administration of Taxation of China issued a circular Caishui 2008 No.001, which states that distribution of dividends from profits accumulated from 1 January 2008 onwards shall be subject to withholding tax on distribution to foreign investors. Accordingly, the Group has provided for deferred tax liabilities on the Group's profit-making PRC subsidiaries' net profit attained in 9M09. As Jade Star (the PRC's subsidiaries' immediate holding Company) was incorporated in the British Virgin Islands, the applicable withholding tax rate is 10%.

3Q09 vs 3Q08 (3 months)

Revenue

The Group's revenue decreased by RMB 80.5 million (or 38.65%) to RMB 127.8 million in 3Q09. The decrease in revenue was due mainly to the decrease in sales of the Finished Zippers (RMB 38.1 million), Zipper Chains (RMB 49.8 million) and Zipper Sliders (RMB 37.1 million) segments (collectively known as "Zipper Segment"). This was partially offset by the increase in revenue derived from the Knitting Wool (RMB 5.4 million) and Trading (RMB 39.1 million) segments.

The decrease in the 3Q09 revenue from the Zipper Segment was attributable to the decrease in export business for both direct overseas customers and export oriented garment factories.

The Knitting Wool and Trading segments were introduced in the second half of FY2008 following the setting up of the Group's Shanghai factory and its Hong Kong office respectively.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by RMB 58.4 million (or 77.77%) to RMB 16.7 million in 3Q09. The Group's overall gross profit margin declined by 23.00% to 13.07% in 3Q09. This was largely attributable to lower revenue from the Zipper Segment as explained above.

The gross loss in the Knitting Wool segment was attributable to an increase in raw materials costs.

Other income and other expenses

Other income comprises government subsidies while other expenses mainly consist of bank charges. The net decrease was due mainly to the write back of allowance for doubtful trade receivables (RMB4.9 million) in 3Q09 following the stepping up of the Group's collection efforts.

Selling and distribution expenses

Selling and distribution expenses decreased by RMB 0.5 million (or 30.77%) to RMB 1.1 million in 3Q09. The decrease was due mainly to a decrease in the salaries and commission paid in 3Q09 as a result of a decrease in the Group's revenue.

General and administrative expenses

General and administrative expenses decreased by RMB 21.2 million (or 93.89%) in 3Q09. This was largely due to the provision for doubtful debts (RMB 19.9 million) in 3Q08 and the intangible assets written off amounting to RMB 0.6 million in 3Q08. There were no such writing off in 3Q09.

Interest income and expenses

Interest expenses decreased by RMB 1.7 million (or 68.64%) from RMB 2.4 million in 3Q08 to RMB 0.8 million in 3Q09. This was attributable to the decrease in short-term loans, bills payable to banks and bank overdrafts in 3Q09. Most of the short-term loans and bills payable had been settled in June 2009. Interest income was higher in 3Q09 as a result of an increase in cash and bank balances and fixed deposits.

Foreign exchange loss

The foreign exchange gain decreased in 3Q09 due to the translation of bank balance denominated in Japanese Yen as a result of higher JPY/RMB exchange rate. This bank balance was withdrawn in 3QFY08. In 3Q09, there were no significant bank balances denominated in foreign currencies. The foreign exchange gain in 3Q09 arose as a result of the strengthening of the RMB against the foreign currencies of HKD, SGD and USD.

Tax expense

	Group		
	3 months Ended 30/9/2009 Unaudited	**3 months Ended 30/9/2008 Unaudited**	**Increase/ (Decrease)**
	RMB'000	**RMB'000**	**%**
Current tax[1]	(2,821)	(16,946)	(83.35)
Deferred tax[2]	(1,497)	(3,096)	(51.65)
Tax expense	(4,318)	(20,042)	(78.46)

Note

[1] Current tax decreased by RMB 14.1 million or 83.36% due to lower profit before taxation achieved in 3Q09.

[2] On 22 February 2008, the State Administration of Taxation of China issued a circular Caishui 2008 No.001, which states that distribution of dividends from profits accumulated from 1 January 2008 onwards shall be subject to withholding tax on distribution to foreign investors. Accordingly, the Group has provided for deferred tax liabilities on the Group's profit-making PRC subsidiaries' net profit attained in 3Q09. As Jade Star (the PRC's subsidiaries' immediate holding Company) was incorporated in the British Virgin Islands, the applicable withholding tax rate is 10%.

FINANCIAL POSITION

Non-current assets

As at 30 September 2009, non-current assets amounted to RMB 280.1 million comprising property, plant and equipment, investment properties, land use rights and intangible assets.

The Group's property, plant and equipment amounted to RMB 188.7 million, a 12.62% (or RMB 21.1 million) increase compared to FY08. The increase was due mainly to the completion of staff hostel and enhancement of the electricity supply system.

The Group acquired an investment property located at 16/F., Tower II, Enterprise Square, No. 9 Sheung Yue Road, Kowloon, Hong Kong. The said acquisition was completed in August 2009.

Current assets

Current assets decreased by RMB 151.1 million (or 13.00%) in 3Q09. This was largely due to a decrease in trade receivables, other receivables and prepayments which was offset by the increase in inventories and cash and bank balances.

Trade receivables decreased by RMB 118.5 million in tandem with the decrease in revenue in 3Q09.

The decrease in other receivables and increase in cash and bank balances were due mainly to monies received from a director. The amounts had been inadvertently transferred to the director as a result of misinterpretation over certain transactions which resulted in incorrect accounting entries passed and was rectified in 1Q09. Details of the misinterpretation had been disclosed in the Group's Full Year Announcement for the full year ended 31 December 2008 dated 26 February 2009 (Announcement No. : 00278).

Current assets (cont'd)

The increase in inventories was due mainly to the increased purchase of raw materials to take advantage of the decrease in price of raw materials during the period.

Current liabilities

In 3QFY09, current liabilities amounted to RMB 153.1 million representing a decrease of RMB 144.3 million (or 48.53%). This was attributable to the decrease in trade payables, and short-term bank loans. In 3Q09, the Group settled RMB 98.5 million of short-term bank loans and also RMB 25.1 million of bills payables.

Cash Flow

The Group's cash and cash equivalents increased due to the repayment of the amount due from a director. The increase was offset by the repayment of short-term bank loans and bills payable.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The 3QFY09 financial results for the period ended 30 September 2009 is in line with the profit guidance announcement released by the Company on 26 October 2009.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

With the positive signs of the economy recovering, the Group is confident of an improvement of the demand from both local PRC customers and export oriented garment factories in 2010. The Group however expects its labour cost to increase due to tightening of labour supply along coastal cities in the PRC.

The Group will continue to works towards improving its operational efficiencies and focus on high value-added products which could generate higher profits margin.

The Group will also continue to enhance its brand name and develop the appropriate sales strategies to remain competitive. It will also explore further business opportunities to acquire those businesses within the supply chain of the zipper products.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the period ended 30 September 2009.

13. Status of applications for the Land Use Rights and building ownership certificates relating to the new site to be used for the setting up of the Group's head office in Jinjiang City

The application for the land use right and building ownership certificates have been submitted to the Jinjiang City Government upon the Group's payment for the 30% deposit in March 2007. The application is still pending approval by the Fujiang Provincial Government before sending to Jinjiang State Owned Land Resource Bureau for final processing.

14. Use of IPO proceeds

As at 30 September 2009, an approximate sum of RMB 317.2 million had been used in accordance with the plan stated in the company's prospectus dated 13 September 2007. RMB 167.0 million was utilized to repay the bank borrowings, RMB 73.7 million had been used for establishing our line of premium finished zippers at our current premises, RMB 36.6 million was paid to increase the working capital for our Qingdao Plant and remaining RMB 39.9 million was paid to increase the working capital for our Shanghai Plant.

15. Use of placement proceeds

As at the date of this announcement, no placement proceeds have been used.

BY ORDER OF THE BOARD

Hong Qing Liang
Executive Director & CEO

9 November 2009

FUXING CHINA GROUP LIMITED
(Incorporated in Bermuda)

Confirmation By Directors Pursuant to Clause 705(4) of the Listing Manual of SGX-ST.

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Fuxing China Group Limited which may render these interim financial statements for the 3rd quarter ended 30 September 2009 to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
Fuxing China Group Limited

.....
Hong Qing Liang
Director

.....
Hong Peng You
Director

Date: 9 November 2009