NEWS RELEASE

Fuxing China posts FY2009 earnings of RMB 30.7 m on revenue of RMB 475.9 m

- *Decline in both revenue and profit due to impact from global economic slowdown*
- *Expects increase in sales and profits in 2010*
- *Directors recommending a final dividend of RMB 2 cents for FY2009*

Financial Highlights (RMB'000)	3 months ended 31 Dec			12 month ended 31 Dec		
	2009	2008	Growth (%)	2009	2008	Growth (%)
Revenue	146,739	214,079	(31.5)	475,908	829,416	(42.6)
Gross Profit	21,682	36,559	(40.7)	74,460	264,534	(71.9)
Gross Profit Margin	14.8%	17.1%	(2.3pts)	15.6%	31.9%	(16.3pts)
Profit before taxation	19,356	7,665	152.5	52,369	198,776	73.7
Net profit attributable to shareholders	10,339	11,542	(10.4)	30,714	136,476	77.5

SINGAPORE – 26 February 2010 – Fuxing China Group Limited ('Fuxing China" or "the Group"), one of the leading vertically-integrated zipper manufacturers and 2nd largest in the PRC, is positioning itself for a pick-up in demand for its products, both domestically and overseas, following a slow, albeit still profitable FY2009.

For the 12 months ended 31 December 2009 ("FY2009"), net profit decreased 77.5% to RMB 30.7 million on a 42.6% decline in revenue to RMB 475.9 million. This was largely attributable to the significant decline in sale of its core Zipper segment (which includes Finished Zippers, Zipper Chains and Zipper Sliders). The economic downturn had affected the export business for both direct overseas customers and export-oriented garment factories.

The Group's gross profit decreased by 71.9% to RMB 74.5 million in FY2009 compared to the previous year. Overall gross margin declined from 31.9% in prior year to 15.6% in FY2009, attributable to the low margin Knitting Wool/Trading segment, and generally lower average selling prices from the Zipper segment.

Mr Hong Qingliang (洪清凉), CEO of Fuxing China explained, "The global economic crisis posed a serious challenge to our operations. We implemented a flexible pricing strategy to support our customers, enabling them to tide over the economic down cycle. This was carried out despite a lower margin earned as we focused on developing long-term business relationship with our customers. The lower raw materials prices had supported our lower average selling prices as well. With our prudent financial and operating management, we are able to stay profitable in a very challenging year 2009."

Earnings and Net Asset Value Per Share

Fully diluted earnings per share for the full year was RMB 0.04 while net asset value per share remained at RMB 1.32 as at 31 December 2009. The Group's financial position remained very strong with cash and bank deposits of RMB 709.8 million, while bank loans and bills payable were RMB 92.3 million.

Segmental Review

	3 months ended 31 Dec			12 months ended 31 Dec		
	2009	**2008**	**Growth (%)**	**2009**	**2008**	**Growth (%)**
Revenue (RMB'000)						
Finished zipper	14,674	24,954	(41.2)	57,949	206,451	(71.9)
Zipper Chain	51,210	48,594	5.4	158,063	288,984	(45.3)
Zipper Slider	22,674	36,293	(37.5)	90,070	229,743	(60.8)
Knitting Wool	4,851	8,887	(45.4)	16,918	8,887	90.4
Trading	53,330	95,351	(44.1)	152,908	95,351	60.4
Total Revenue	146,739	214,079	(31.5)	475,908	829,416	(42.6)

	3 months ended 31 Dec			12 months ended 31 Dec		
	2009	**2008**	**Growth (%)**	**2009**	**2008**	**Growth (%)**
Gross Profit/(Loss) (RMB'000)						
Finished Zipper	8,678	6,624	31.01	19,364	80,896	(76.06)
Zipper Chain	12,417	10,570	17.47	39,408	110,677	(64.39)
Zipper Slider	1,306	15,733	(91.70)	13,630	69,329	(80.34)
Knitting Wool	(1,258)	945	(233.12)	(1,791)	945	(289.52)
Trading	539	2,687	(79.94)	3,849	2,687	43.25
Total GP	21,682	36,559	(40.69)	74,460	264,534	(71.85)

	3 months ended 31 Dec			12 months ended 31 Dec		
	2009	**2008**	**Growth (%)**	**2009**	**2008**	**Growth (%)**
Gross Profit Margin (%)						
Finished Zipper	59.14	26.54	32.60	33.42	39.18	(5.76)
Zipper Chain	24.25	18.45	5.80	24.93	38.30	(13.37)
Zipper Slider	5.76	43.35	(37.59)	15.13	30.18	(15.05)
Knitting Wool	(25.93)	10.63	(36.56)	(10.59)	10.63	(21.22)
Trading	1.01	2.82	(1.81)	2.52	2.82	(0.30)
Overall GM	14.78	17.08	(2.30)	15.65	31.89	(16.24)

Zipper Segment

Revenue from the core Zipper segment (Finished Zipper, Zipper Chain, Zipper Slider) declined 57.8% from RMB 725.2 million to RMB 306.0 million, accounting for 64.3% of total revenue. Within the Zipper segment, Finished Zipper commanded the highest margin of 33.4%. Gross margin for the Zipper segment recorded at 23.7% compared to 36.0% in prior year.

Knitting Wool & Trading

The Knitting Wool and Trading operations set up in the second half of FY2008 had made their full year contributions in FY2009. Revenue from these two activities contributed RMB169.8 million to the Group's revenue. Whilst Trading operation generated a healthy gross profit of RMB3.8 million for the year, Knitting Wool operation however incurred a loss due to an increase in raw material cost. The Group will scale down its Knitting Wool operation in FY2010, eventually exiting this loss-making business to focus on growing its Shanghai and Qingdao's Finished Zipper operations.

Outlook

"Going forward, we see positive signs of the global economy stabilizing and recovering. Certain foreign customers have expressed interest in working with the Group. With the

Group's large scale operations, we are able to take advantage of the recovery in the consumer goods sector for which we are dependent on, both in the PRC and the export markets," said CEO Hong.

"The main concern is the rising labour costs due to tightening of labour supply along coastal cities in the PRC. Taking a positive note, the growth of consumer goods in China is sustainable in view of higher spending power of consumers," highlighted CEO Hong.

"The Group will continue to enhance its "3F" brand name and develop sales strategies to remain competitive. We will also pursue opportunities for growth through introducing new zipper product, exploring strategic investments and partnerships in zipper-related businesses. We are confident of an improvement in demand for its products from local PRC customers and export oriented garment factories in 2010," noted CEO Hong.

To reward shareholders, the Directors are recommending a final dividend of RMB 2 cents for FY2009.

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About Fuxing China Group Limited

Based in Jinjiang City, Fujian Province, Fuxing China is one of the few vertically-integrated zipper manufacturers and 2nd largest 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.

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

Fuxing China was awarded the "***PRC Top 10 Famous Zipper Brands***"and the "***Symbolic Brand of China***" award for its "3F" brand. The Group was listed on SGX-ST in September 2007.

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