News Release

Fuxing China acquires three companies to become a fully integrated leading zipper maker in PRC

- **RMB 372m to execute strategic acquisitions to meet long term goal**
- **Enhance its competitive advantage in the industry**
- **Funded by internal cash reserves**
- **Increase ROE and future profit growth of the Group**

SINGAPORE – 22 Dec 2010 – Fuxing China Group Limited ("Fuxing China" or the "Group"), one of the few leading vertically-integrated zipper manufacturers and second largest in the PRC, is pleased to announce that its wholly-owned subsidiary *Jade Star Group Holdings Limited* has today entered into three equity purchase agreements to acquire the entire equity capital of the following three companies:

Company	Main Business	Net Profit For FY2009 (RMB'000)	Book Value As at 30/06/2010 (RMB'000)	Fair Value(1) (RMB'000) (1)	Consideration (RMB)
Fulong Zipper 晋江福龙拉链染织有限公司	Colour dyeing services and fabric tape	10,187	29,965	129,425	120 million
Jianxin Weaving 晋江健鑫织造有限公司	Supply of dyed yarn	10,429	41,172	116,838	107 million
Fuxin Electroplating 晋江福鑫电镀有限公司	Electroplating services	16,267	19,939	156,316	145 million
Total:		**36,883**	**91,076**	**402,579**	**372 million**

Note:

(1) According to a valuation report by Jones Lang LaSalle Sallmanns Limited who was commissioned to do a valuation of the target companies.

By acquiring these three target companies, the Group will be able to enhance its competitive advantage in the industry, capturing operational synergies as these value-add services are brought in-house. The Group believes that PRC government policy relating to the environmental protection is likely to get more stringent. These services are strictly regulated due to its pollutive nature and the Group understands that the government will

limit and restrict the issuance of new business licenses in the dyeing and electroplating services.

Commenting on the acquisitions, Mr Hong Qing Liang (洪清凉), Executive Chairman and Chief Executive Officer said, "***We are pleased to see the signing of the acquisition agreements after more than a year of discussion and negotiation. The acquisitions are in line with our long-term growth strategy as we seek vertical integration and the synergy achieved by the three companies. This will make us operationally stronger, and also allow our Group to capture viable revenue streams and expand our profit base."***

The acquisitions will be funded by the Group's cash reserves. As each of the acquisitions is a major transaction, it shall be subject to the Group obtaining shareholders' approval at a special general meeting to be convened by the Group. As at 30 September 2010, the Group's cash and deposit position amounted to RMB 716.4 million.

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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 and entire finished zippers.

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***", the "***Symbolic Brand of China***" award for its "**3F**" brand, and "***New and High Technology Enterprise***". The Group was listed on SGX-ST in September 2007. Its Bloomberg code is "FUXC SP".

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