Singapore Office Address:
79 Anson Road #15-06 Singapore 079906
Tel: (65) 6225 3215
Website: www.FuxingChinaGroup.com

RESPONSE TO QUERIES FROM SGX-ST

The Board of Directors ("the Board") of Fuxing China Group Limited ("the Group") refers to the Group's full year results announcement for the year ended 31 December 2010 released via SGXNet on 1 March 2011.

The following information is provided in response to SGX-ST's queries as follows:

1. Please elaborate on the acquisition of patent which resulted in intangible assets increasing to RMB 65.9 million

The increase in the Group's intangible assets from RMB 20.5 million as at FY2009 to RMB 65.9 million as at FY2010 was due to the acquisition of the patent ("the Acquisition") relating to the Super Durable Zipper product.

The Acquisition agreement was finally signed and paid for in December 2010. The said patent is a utility model. The period of patent right is 10 years from the date of its initial application, which was on 3 November 2006. As such, the patent will mature on 2 November 2016. The purchase price included technical services rendered to the Group in setting up the machineries for successful production.

The Board believes the Super Durable Zipper product will result in profit contributions to the Group and will elevate the Group's standing among its customers as no other zipper manufacturers have such a product in the PRC, and reinforce its branding efforts in the PRC market.

2. Please provide details on advances being paid to suppliers to secure stable stream of raw materials.

As at the end of FY2010, there were more than 70 creditors which the Group had provided advance payments/partial deposits among the Group's 4 operating subsidiaries in Fujian Province, Shanghai, and Qingdao. Among these suppliers, the significant ones are as follows:

Name of Supplier	Amount (RMB'mil)	Nature of Raw Materials purchase
厦门普利特化纤有限公司	20.5	DTY, PET chips
锦兴（福建）化纤纺织实业有限公司	51.4	DTY
福建百宏聚纤科技实业有限公司	81.8	DTY, PET chips
晋江玉龙翔纺织制品有限公司	5.4	thread
四川华宏国际经济技术投资有限公司	12.2	Zinc
Total	171.3	

The primary objective of the prepayment was to secure guaranteed supplies of key raw materials at competitive prices. These arrangements with the Group's key suppliers have always been followed for the last few years (FY2009: RMB 81.8million, FY2008: RMB 240.2million, FY2007: RMB 283.9million) and this has benefited the Group in terms of the competitive raw materials prices secured. The Group has assessed the credit risk from such arrangements to be low and manageable. Any future such arrangement is dependent on the Group's working capital requirements and its cash resources.

3. To state in paragraph 9 whether the results are in line with the commentary write-up of the previous quarter.

Whilst there were no forecast statements made in the Group's 3Q2010 results released to SGX-ST on 9 November 2010, the Group's FY2010 results announcement was in line with the commentary mentioned in paragraph 10 of its 3QFY2010, which were positive effect of the global and PRC economy recovery and increase in labour cost in the PRC.

With respect to the following plans mentioned in the Group's 3QFY2010 results announcement :

(a) proposed acquisition of 3 privately owned companies based in Jinjiang;
(b) installation of 100 sets of machineries for production of Super Durable Zipper product; and
(c) construction of 2 blocks of workers' dormitory

the Group wishes to update that (a) had been approved by the shareholders of the Company at its recently held Special General Meeting on 4 March 2011, and (b) has been fully completed as of today's date. The Group is in the process of executing the above (c).

BY ORDER OF THE BOARD

Hong Qing Liang
Executive Chairman and Chief Executive Officer
8 March 2011