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RESPONSE TO QUERIES FROM SGX-ST

The Board of Directors ("the Board") of Fuxing China Group Limited ("the Group") refers to the Group's results announcement for the 2nd quarter ended 30 June 2011 released via SGXNet on 11 August 2011.

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

1. **In the Company's announcement dated 13 May 2011 relating to the acquisition of a land parcel in Xiamen, it was stated that a director had extended a loan of RMB 110 million to the Company to facilitate the purchase of the land. However, in the Balance Sheet as at 30 June 2011 disclosed in the Company's 2Q2011 results, loans owing to a director amounted to RMB123 million instead. Kindly clarify the difference in the amount.**

   In the Group's announcement on 13 May 2011, it was stated that the Group had contributed RMB 50 million while Mr Hong Qing Liang, the Executive Chairman and CEO of the Company, had personally provided RMB 110.7 million for the tender price in respect of the acquisition of the Xiamen Land Parcel.

   Mr Hong had however from 20 April 2011 to 26 April 2011 arranged for a transfer of HK$146 million (equivalent of RMB 122.1 million) to the Group. .

   As the Group was attending to the final payments for its acquisition of the *3 companies at end June 2011, it had not returned the surplus of RMB 11.4 million to Mr Hong as at 30 June 2011.

   The Group will be returning the said RMB11.4 million to Mr Hong in due course by end August 2011. The amount owing to Mr Hong amounted to RMB123 million as at 30 June 2011 also included some accruals in respect of his salaries and bonus.

   **The 3 companies were (a) Fulong Zipper and Weaving Co., Ltd Jinjiang (b) Jinjiang Jianxin Weaving Co., Ltd and (c) Jinjiang Fuxin Electroplating Co. Ltd*

2. **Paragraph 9 (on forecast or prospect statement) of the results announcement requires companies to state whether its reported performance is in line with the forecast or prospect statement found in paragraph 10 (commentary section) of the previous quarter/half yearly result announcement. Kindly provide the update as required under paragraph 9.**

Whilst there was no forecast statement made in the Group's 1Q2011 results released to SGX-ST on 3 May 2011, the Group's 2Q2011 results was in line with the positive commentary on the growth of the PRC's economy and the Group's plan to increase capacity and output in paragraph 10 of its 1Q2011 results announcement.

3. We note from paragraph 13 that the Company had paid a 30% deposit to the Jinjiang City Government in March 2007 for a site that was previously identified to be the Group's head office in Jinjiang City. However, as the application is still pending approval, the Group has aborted its plans for its new headquarters to be located in Xiamen Island and updated its plans for the site. In respect of this development, please disclose the update on plans for this land. Please also disclose the conditions attached to the acquisition of the land, and any of these conditions have since been breached? If so, what are there any legal implications and whether the Company will lose its deposit on the land? Please disclose further information on this acquisition including information such as the consideration for the land, how much has been paid to-date, how will the acquisition be funded, the plans for this land and why approval has not been forthcoming and the issues related to this delay in approval

The Group refers to its Prospectus dated 13 September 2007, an extract of which is provided below:

"*Our current operations are located in Jinjiang City, Fujian Province. As part of the local government's plans for further commercialisation of Jinjiang City, there are plans for the development of a centralised business district within Jinjiang City for the headquarters of various businesses. Consequently, we are currently in the process of acquiring the land use rights of a site area of approximately 3,592 sq m in Jinjiang City, to build and hold our headquarters within this centralised business district. The estimated cost of the acquisition of land use rights for the site area and construction costs is S$10.0 million*."

The Group had previously made a deposit payment of RMB 0.88 million in March 2007 for the application of land-use rights and building ownership certificates in Jinjiang City, and has regularly updated the status of this project in its quarterly results announcement. Based on the Executive Directors' understanding, the local government's plan of a centralized business district had been delayed due to the impact of the 2008 financial crisis.

The Group will be applying to the Jinjiang Government to withdraw its application and obtain a refund of its deposit, and will inform shareholders accordingly when there is any further update.

As part of the Group's long term strategic plan, the Group has identified Xiamen City as the location of its Administrative Headquarter. As announced via the SGXNet on 13 May 2011, the Group would acquire a plot of commercial land in Xiamen ("Xiamen Land") for the future development of an office building and premises to accommodate the Group's administrative operations and serve as the headquarter of the Group. The Group is currently preparing a circular for a Special General Meeting to be convened to approve the acquisition of Xiamen Land. Shareholders will be updated of any material developments.

BY ORDER OF THE BOARD

Hong Qing Liang
Executive Chairman and CEO
18 August 2011