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

QUARTERLY FINANCIAL STATEMENT ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011.

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 30/09/2011. These figures have not been audited.

	Group			Group		
	3 months Ended 30/9/2011 Unaudited	3 months Ended 30/9/2010 Unaudited	Increase/ (Decrease)	9 months Ended 30/9/2011 Unaudited	9 months Ended 30/9/2010 Unaudited	Increase/ (Decrease)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Continuing operations						
Revenue	163,639	149,117	10	509,493	460,312	11
Cost of sales	(131,871)	(107,303)	23	(382,977)	(358,668)	7
Gross profit	31,768	41,814	(24)	126,516	101,644	24
Other income and expenses	(453)	(359)	26	817	(142)	NM
Selling and distribution expenses	(1,972)	(1,848)	7	(5,169)	(4,064)	27
General and administrative expenses	(21,856)	(3,425)	538	(48,342)	(17,828)	171
Profit from operating activities	7,487	36,182	(79)	73,822	79,610	(7)
Finance income	587	1,214	(52)	1,549	1,962	(21)
Finance expense	(177)	(1,055)	(83)	(1,642)	(2,807)	(42)
Profit before tax from continuing operations	7,897	36,341	(78)	73,729	78,765	(6)
Income tax expense	(7,852)	(12,338)	(36)	(33,429)	(29,066)	15
Profit from continuing operations, net of tax	45	24,003	(99.8)	40,300	49,699	(19)
Discontinued operations						
Loss from discontinued operation, net of tax	-	(1,314)	NM	-	(1,183)	NM
Profit for the period attributable to the equity holders of the Company	45	22,689	(99.8)	40,300	48,516	(17)
Other comprehensive income for the period						
Exchange differences on translating foreign operations	(269)	(69)	290	(591)	(133)	344
Total comprehensive income for the period attributable to shareholders	(224)	22,620	NM	39,709	48,383	(18)

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

Allowance for/(Writeback on allowance for) doubtful trade receivables	1,510	(1,271)	NM	5,213	(627)	NM
Amortisation of land use rights	283	131	116	623	392	59
Amortisation of intangible assets	1,250	2	NM	4,891	6	NM
(Gain)/loss on disposal of property, plant and equipment	-	(13)	NM	-	31	NM
Depreciation of property, plant and equipment	6,863	5,793	18	18,164	17,435	4
Foreign exchange loss/(gain), net	3,060	(115)	NM	5,787	549	954
Salaries and bonuses	15,723	13,212	19	40,567	34,442	18

NM: Not Meaningful

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

		Group		Company	
		30/9/2011 Unaudited	31/12/2010 Audited	30/9/2011 Unaudited	31/12/2010 Audited
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	(1)	309,714	203,502	-	-
Investment property		57,078	59,563	-	-
Land use rights	(2)	46,806	22,645	-	-
Intangible assets	(3)	326,909	65,944	-	-
Prepayment	(4)	169,611	9,050	-	-
Investment in subsidiaries		-	-	344,853	344,853
		910,118	360,704	344,853	344,853
Current assets					
Inventories	(5)	96,669	53,175	-	-
Trade receivables, net	(6)	138,491	202,298	-	-
Bills and other receivables	(7)	4,260	39,893	160,702	-
Prepayments to suppliers	(8)	27,600	185,504		2
Amount due from subsidiaries (non-trade)		-	-	434,977	509,109
Fixed deposits	(9)	22,755	82,916	-	-
Cash and bank balances	(9)	298,321	410,678	3,156	17,803
		588,096	974,464	598,835	526,914
Total assets		1,498,214	1,335,168	943,688	871,767
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	(10)	13,100	6,104	-	-
Bills payable to banks		11,367	11,042	-	-
Other payables & accruals	(11)	58,885	40,668	1,725	2,621
Amount due to director (non-trade)	(12)	112,556	1,962	112,062	1,962
Short-term bank loans		66,625	70,736	-	-
Bank overdrafts		8,189	8,720	-	-
Income tax payable		12,707	12,401	-	-
Total current liabilities		283,429	151,633	113,787	4,583
Non-current liabilities					
Deferred tax liabilities		55,566	38,348	-	-
		55,566	38,348	-	-
Total liabilities		338,995	189,981	113,787	4,583
Equity attributable to equity holders of the Company					
Share capital		772,574	772,574	772,574	772,574
Treasury shares		(6,408)	(6,408)	(6,408)	(6,408)
Reserve fund		52,002	52,002	-	-
Restructuring reserve		(117,878)	(117,878)	-	-
Contributed surplus		39,573	39,573	39,573	39,573
Translation reserve		(1,004)	(413)	-	-
Accumulated profits		420,360	405,737	24,162	61,445
Total equity		1,159,219	1,145,187	829,901	867,184
Total equity and liabilities		1,498,214	1,335,168	943,688	871,767

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 2011		As at 31 December 2010	
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
Bills payable to banks[1]	11,367	-	11,042	-
Short-term bank loans		-		-
– Shanghai Rural Commercial Bank[2]	13,000		13,000	
– East West Bank[3]	28,621	-	29,866	-
– Industrial and Commercial Bank of China[4]	25,004	-	27,870	-
Bank overdrafts[5]	8,189	-	8,720	-

Notes:

[1] RMB 11.4 million is secured by a charge over investment property owned by Fook Hing Group Trading Co., Ltd., located at 16/F., Tower II, Enterprise Square, No. 9 Sheung Yue Road, Kowloon, bank deposits, rental receipt arising from the mortgaged property and corporate guarantee from Fuxing China Group Limited.

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

[3] This loan is secured by bank deposits of Fook Hing Group Trading Co., Ltd., and personal guarantee from independent third parties (Hong Li Hong and Sze Kai Lung) and corporate guarantee by Fuxing China Group Limited.

[4] This loan is secured by a charge over investment property owned by Fook Hing Group Trading Co., Ltd., located at 16/F., Tower II, Enterprise Square, No. 9 Sheung Yue Road, Kowloon, rental receipt arising from the mortgaged property and corporate guarantee from Fuxing China Group Limited.

[5] RMB 4 million is secured by bank deposits of Fook Hing Group Trading Co., Ltd., and personal guarantee from independent third parties (Hong Li Hong and Sze Kai Lung) and corporate guarantee from Fuxing China Group Limited.; while RMB 4.2 million is secured by a charge over investment property owned by Fook Hing Group Trading Co., Ltd., located at 16/F., Tower II, Enterprise Square, No. 9 Sheung Yue Road, Kowloon, rental receipt arising from the mortgaged property and corporate guarantee from Fuxing China Group Limited.

[6] None of the above loans contain any covenant regarding controlling shareholder's interest in Fuxing China Group Limited

Notes to Statement of Financial Position:

1. Property, plant and equipment (PPE) increased by RMB 106.2 million or 52% from RMB 203.5 million to RMB 309.7million due mainly to consolidation of the 3 recently acquired subsidiaries - Fulong Zipper and Weaving Co., Ltd ("Fulong"), Jinjiang Jianxin Weaving Co., Ltd. ("Jianxin") and Jinjiang Fuxin Electroplating Co., Ltd. ("Fuxin") as well as purchases of equipment of RMB 28.5m in 9M2011.

2. Land use rights increased by RMB 24.2 million due to the consolidation of land use rights from Fulong and Jianxin.

3. Intangible assets ("IA") increased by RMB 261.0 million or 396% from RMB 65.9 million to RMB 326.9 million due mainly to the consolidation of operating license (RMB 151.5 million) and goodwill (RMB 114.3 million) from Fulong, Jianxin and Fuxin. The values of IA were based on a preliminary assessment by valuer Jones Lang Lasalle Sallmans engaged by the Group to perform a purchase price allocation (PPA) on the Legal Completion date for the purpose of assessing fair values of assets and liabilities of acquired companies for the purpose of consolidation into the Group with reference to the requirements of relevant accounting standards, and such PPA work is still work-in-progress.

4. Prepayment balance of RMB 169.6 million represented mainly the acquisition price of a parcel of land in Xiamen Island for the Group's future administrative headquarters (RMB 160.7 million) as well as deposits paid for purchase of machineries.

5. Inventories increased by RMB 43.5 million to RMB 96.7 million from RMB 53.2 million due to a build up of inventory as a result of the decline in sales while production continues so as to lower its manufacturing overheads, as well as inventories from Fulong, Jianxin and Fuxin consolidated into the Group.

6. Trade receivables declined by RMB 63.8 million from RMB 202.3 million to RMB 138.5 million due to the stepping up of collection efforts by the Group.

7. Bills and other receivables decreased by RMB 35.6 million from RMB 39.9 million to RMB 4.3 million as most of the bills receivables were settled in current 3Q2011.

8. Prepayment to suppliers declined by RMB 157.9million from RMB 185.5 million to RMB 27.6 million as purchases of raw materials were offset by the prepaid balances with some suppliers, and the suppliers have also returned most of the funds prepaid to them after discussion with them as the Group would need these funds for its working capital.

9. Fixed deposits, cash and bank balances declined from RMB 493.6 million to RMB 321.1 million due to payment for the 3 acquired companies as well as part payment for land in Xiamen Island.

10. Increase in trade payables by RMB 7.0 million from RMB 6.1 million to RMB 13.1 million was due to the consolidation of Fulong, Jianxin, and Fuxin amounting to RMB 9.4 million.

11. Other payables and accruals increased by RMB 18.2 million from RMB 40.7 million to RMB 58.9 million due mainly to the consolidation of Fulong, Jianxin and Fuxin

12. Amount due to director refers mainly to funds contributed by Mr Hong Qing Liang for the Group's Acquisition of the Land Parcel in Xiamen Island to be developed into its future administrative headquarters.

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

Consolidated Statement of Cash Flows Notes	3 months Ended 30/9/2011 Unaudited RMB'000	3 months Ended 30/9/2010 Unaudited RMB'000	9 months Ended 30/9/2011 Unaudited RMB'000	9 months Ended 30/9/2010 Unaudited RMB'000
OPERATING ACTIVITIES				
Profit before taxation	7,897	35,027	73,730	77,582
Adjustments for:				
Depreciation of property, plant and equipment	6,683	5,793	18,164	17,435
Amortisation of land use rights	283	131	623	392
Amortisation of intangible assets	1,250	2	4,891	6
Loss on disposal of property, plant and equipment	-	(13)	-	31
Allowance for doubtful trade receivables	1,510	(1,271)	5,213	(627)
Interest expense	177	1,055	1,642	2,807
Interest income	(587)	(1,214)	(1,549)	(1,962)
Foreign currency gain	(446)	(125)	(870)	(29)
Total adjustments	8,870	4,358	28,114	18,054
Operating cash flows before changes in working capital	16,767	39,385	101,844	95,636
(Increase) Decrease in:				
Inventories	(7,048)	(3,150)	(35,530)	(15,066)
Trade receivables	52,457	46,229	68,289	(17,702)
Bills receivable	(1,091)	-	(750)	200
Other receivables & prepayments	391,168	(18,070)	95,047	13,165
Increase (Decrease) in:				
Trade payables	(35,106)	(15)	(1,073)	23,570
Other payables & accruals	(193,802)	(14,166)	(47,955)	(5,868)
Due to directors	(10,470)	(8,171)	110,594	(133)
Total changes in working capital	196,108	2,657	188,622	(1,834)
Cash flows generated from operations	212,875	42,042	290,466	93,802
Interest expense paid	(177)	(928)	(1,642)	(2,412)
Interest income received	587	1,214	1,549	1,962
Income tax paid	(10,398)	(7,758)	(28,986)	(17,394)
Net cash generated from/(used in) operating activities (1)	202,887	34,570	261,387	75,958
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(34,026)	(22,670)	(36,477)	(27,747)
Proceeds from disposal of property, plant and equipment	-	148	-	1,510
Acquisition of subsidiaries, net of cash acquired	(144,161)	-	(370,199)	-
Net cash used in investing activities (2)	(178,187)	(22,522)	(406,676)	(26,237)
FINANCING ACTIVITIES				
Purchase of treasury shares	-	(557)	-	(4,101)
Redemption of convertible notes		(2,560)		(2,560)
Repayments of term loan	(546)	(575)	(1,703)	(1,772)
Proceeds from short-term borrowings	-	-	-	30,621
Proceeds from bills payable	11,199	-	19,830	7,817
Repayment of bills payable	(10,380)	-	(19,147)	(28,099)
Dividend paid	(8,472)	-	(25,677)	(33,059)
Decrease in fixed deposits pledged to banks	403	211	887	817
Net cash generated from (used in) financing activities (3)	(7,796)	(3,481)	(25,810)	(30,336)
NET INCREASE / DECREASE IN CASH & CASH EQUIVALENTS	16,904	8,567	(171,099)	19,385
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	273,228	675,956	461,231	665,138
CASH & CASH EQUIVALENTS AT END OF PERIOD	290,132	684,523	290,132	684,138

Cash and cash equivalents at end of period included in the consolidated statement of cash flows comprise the followings				
Fixed deposits	22,755	23,993	22,755	23,993
Cash and bank balances	298,321	692,427	298,321	692,427
	321,076	716,420	321,076	716,420
Less: bank overdraft	(8,189)	(7,904)	(8,189)	(7,904)
Fixed deposits (pledged)	(22,755)	(23,993)	(22,755)	(23,993)
Cash and Cash equivalents	290,132	684,523	290,132	684,523

Fixed deposits amounting to RMB 22,755,000 (2010: 23,993,000) are pledged to banks for the Group's bills payable to banks and bank overdrafts respectively.

Notes to Consolidated Statement of Cash Flows

9M2011 / 3Q2011

Note (1) Net cash flows generated from operating activities in 9M2011 amounted to RMB 261.4 million compared to RMB 76.0 million for prior year as a result of collection of receivables, and funds contributed by Mr Hong Qing Liang for the Group's acquisition of the Land Parcel in Xiamen Island. Net cash flows generated from operating activities in 3Q2011 amounted to RMB 202.9 million compared to RMB 34.6 million was largely due to effect of receivables collection and decrease in prepayment to suppliers

Note (2) Net cash flows used in investing activities in 9M2011 amounted to RMB 406.7 million and in 3Q2011 amounted to RMB 178.2 million, was primarily due to acquisition of subsidiaries – Fulong and Jianxin in 2Q2011 and Fuxin in 3Q2011.

Note (3) Net cash flows used in financing activities in 9M2011 and 3Q2011 amounted to RMB 25.8 million and RMB 7.8 million respectively, was due mainly to dividend paid in 3Q2011.

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.

Group	Share capital RMB'000	Treasury shares RMB'000	Reserve fund RMB'000	Contributed surplus RMB'000	Restructuring reserve[1] RMB'000	Equity reserve[2] RMB'000	Translation reserve RMB'000	Accumulated profits/ (losses) RMB'000	Total equity RMB'000
At 1 January 2010	756,224	(2,307)	42,550	39,573	(117,878)	1,040	(11)	375,630	1,094,821
Total comprehensive income for the year	-	-	-	-	-	-	(133)	48,515	48,383
Repurchase of shares	-	(4,101)	-	-	-	-	-	-	(4,101)
Redemption of convertible notes	-	-	-	-	-	(70)	-	-	(70)
Dividend paid	-	-	-	-	-	-	-	(33,059)	(33,059)
Closing balance at 30 September 2010	756,224	(6,408)	42,550	39,573	(117,878)	970	(144)	391,087	1,105,974
At 1 January 2011	772,574	(6,408)	52,002	39,573	(117,878)	-	(413)	405,737	1,145,187
Total comprehensive income for the year	-	-	-	-	-	-	(591)	40,300	39,709
Dividend paid	-	-	-	-	-	-	-	(25,677)	(25,677)
Closing balance at 30 September 2011	773,595	(6,408)	52,002	39,573	(117,878)	-	(1,004)	420,360	1,159,219
Company									
At 1 January 2010	756,224	(2,307)	-	39,573	-	1,040	-	21,181	815,711
Total comprehensive income for the period	-	-	-	-	-	-	-	74,848	74,848
Repurchase of shares	-	(4,101)	-	-	-	-	-	-	(4,101)
Redemption of convertible notes	-	-	-	-	-	(70)	-	-	(70)
Dividend paid	-	-	-	-	-	-	-	(33,059)	(33,059)
At 30 September 2010	756,224	(6,408)	-	39,573	-	970	-	62,970	853,329
At 1 January 2011	772,574	(6,408)	-	39,573	-	-	-	61,445	867,184
Total comprehensive income for the period	-	-	-	-	-	-	-	(11,606)	(11,606)
Dividend paid	-	-	-	-	-	-	-	(25,677)	(25,677)
At 30 September 2011	772,574	(6,408)	-	39,573	-	-	-	24,162	829,901

Group	Share capital RMB'000	Treasury shares RMB'000	Reserve fund RMB'000	Contributed surplus RMB'000	Restructuring reserve[1] RMB'000	Equity reserve[2] RMB'000	Translation reserve RMB'000	Accumulated profits/ (losses) RMB'000	Total equity RMB'000
At 1 July 2010	756,224	(5,851)	42,550	39,573	(117,878)	1,040	(75)	368,398	1,083,981
Total comprehensive income for the period	-	-	-	-	-	-	(69)	22,689	22,620
Repurchase of shares	-	(557)	-	-	-	-	-	-	(3,544)
Redemption of convertible notes	-	-	-	-	-	(70)	-	-	(70)
Closing balance at 30 September 2010	756,224	(6,408)	42,550	39,573	(117,878)	970	(75)	391,087	1,105,974
At 1 July 2011	772,574	(6,408)	52,002	39,573	(117,878)	-	(735)	428,787	1,167,915
Total comprehensive income for the period	-	-	-	-	-	-	(269)	45	(224)
Dividend paid	-	-	-	-	-	-	-	(8,472)	(8,472)
Closing balance at 30 September 2011	773,595	(6,408)	52,002	39,573	(117,878)	-	(1,004)	420,360	1,159,219
Company									
At 1 July 2010	756,224	(5,851)	-	39,573	-	1,040	-	(15,322)	775,664
Total comprehensive income for the period	-	-	-	-	-	-	-	78,292	78,292
Repurchase of shares	-	(557)	-	-	-	-	-	-	(557)
Redemption of convertible notes	-	-	-	-	-	(70)	-	-	(70)
Closing balance at 30 September 2010	756,224	(6,408)	-	39,573	-	970	-	62,970	853,329
At 1 July 2011	772,574	(6,408)	-	39,573	-	-	-	37,140	842,879
Total comprehensive income for the period	-	-	-	-	-	-	-	(4,506)	(4,506)
Dividend paid	-	-	-	-	-	-	-	(8,472)	(8,472)
Closing balance at 30 September 2011	772,574	(6,408)	-	39,573	-	-	-	24,162	829,901

Note:

[1] **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”.

[2] **Equity reserve:**
This reserve represents the value of the unexercised equity component of convertible notes issued by the Group in 2009.

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 ended 30 September 2011, there was no share acquired. There were a total of 13,886,000 treasury shares acquired in FY2009 and FY2010.

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 preceding year.

	30 September 2011	**31 December 2010**
Total number of issued shares excluding treasury shares	860,272,000	860,272,000

There were a total of 13,886,000 treasury shares as 30 September 2011.

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 2011	13,886,000
Purchases of shares during the period	-
Total number of shares as at 30 September 2011	13,886,000

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 September 2011.

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 the third quarter of 2011 with those of the audited financial statements as at 31 December 2010.

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.

Not applicable.

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 30/9/2011	**3 months ended 30/9/2010**	**9 months ended 30/9/2011**	**9 months ended 30/9/2010**
(a) Basic and	0.00	0.03	0.05	0.06
(b) On a fully diluted basis	0.00	0.03	0.05	0.06

Note: Basic earnings per share is computed based on weighted average number of shares in issue in 2011:860,272,000 ordinary shares (2010: 830,401,918).

Diluted earnings per share is computed based on weighted average number of ordinary shares in issue in 2011:860,272,000 ordinary shares (2010: 870,005,918), adjusted for the deemed conversion of the convertible note since the date of issue.

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	
	30/9/2011	**31/12/2010**	**30/9/2011**	**31/12/2010**
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 30/9/2011: 860,272,000 (31/12/2010: 860,272,000 shares)	1.35	1.33	0.96	1.01

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 30/9/2011 Unaudited	3 months Ended 30/9/2010 Unaudited	Increase/ (Decrease)	9 months Ended 30/9/2011 Unaudited	9 months Ended 30/9/2010 Unaudited	Increase/ (Decrease)
REVENUE	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Finished zipper	40,168	27,385	47	108,996	58,404	87
Zipper Chain	50,406	69,351	(27)	197,211	188,640	5
Zipper Slider	27,783	44,481	(38)	105,658	109,767	(4)
Dyeing and electroplating	19,708	-	NM	28,277	-	NM
Trading	25,574	7,900	224	69,351	103,501	(33)
Total Group Revenue	163,639	149,117	10	509,493	460,312	11
COST OF SALES						
Finished zipper	31,425	20,884	51	77,912	42,870	82
Zipper Chain	40,523	46,869	(13)	146,390	132,198	11
Zipper Slider	21,422	31,883	(33)	71,845	81,923	(12)
Dyeing and electroplating	13,738	-	NM	19,192	-	NM
Trading	24,763	7,667	223	67,638	101,677	(33)
Total Group Cost of Sales	131,871	107,303	23	382.977	358,668	7
GROSS PROFIT/(LOSS)						
Finished zipper	8,743	6,501	172	31,084	15,534	100
Zipper Chain	9,883	22,482	(9)	50,821	56,442	(10)
Zipper Slider	6,361	12,598	40	33,813	27,844	21
Dyeing and electroplating	5,970	-	NM	9,085	-	NM
Trading	811	233	(74)	1,713	1,824	(6)
Total Gross Profit	31,768	41,814	39	126,516	101,644	24
GROSS PROFIT/(LOSS) MARGIN						
	%	%	%	%	%	%
Finished Zipper	21.8	23.7	(1.9)	28.5	26.6	1.9
Zipper Chain	19.6	32.4	(12.8)	25.8	29.9	(4.1)
Zipper Slider	22.9	28.3	(5.4)	32.0	25.4	6.6
Dyeing and electroplating	30.3	-	NM	32.1	-	NM
Trading	3.2	3.0	0.2	2.5	1.8	0.7
Average Gross Profit Margin	19.4	28.0	(8.6)	24.8	22.1	2.7
Zipper Segment Gross Profit Margin	21.1	29.4	(8.3)	28.1	28.0	0.1

NM: Not Meaningful

9M2011 vs. 9M2010 (9 months)

Revenue

The Group's revenue increased by RMB 49.2 million (or 11%) to RMB 509.5 million. The increase in revenue was due mainly to the increase in the sales of Finished Zippers (RMB 50.6 million), Zipper Chains (RMB 8.6 million) as well as contributions from 3 newly acquired dyeing and electroplating operations namely Fulong Zipper and Weaving Co., Ltd, Jinjiang ("Fulong"), Jinjiang Jianxin Weaving Co., Ltd ("Jianxin") and Jinjiang Fuxin Electroplating Co., Ltd ("Fuxin") (totaling RMB28.3 million). This was partially offset by the decrease in revenue from the Zipper Slider (RMB4.1 million) and the Trading segment (RMB34.2 million).

The increase in revenue from the Finished Zipper segment and the Zipper Chain segment was attributable to the increase in both quantity and selling prices to both local customers and overseas customers due to economic growth in the PRC and overseas markets primarily seen in the first 2 quarters of 2011.

The decrease in revenue from the Zipper Slider in 3Q2011 was attributable to a deteriorating market for the zipper industry in the PRC which was affected by the general slow down in the global economy. This had led to the Group reducing its selling prices to secure customers' orders. The lower selling prices of the Group's products were also partly due to slight decline in raw materials price.

The decrease in revenue from the Trading segment was due to a decrease in profitable sales orders from customers during 9M2011.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by RMB 24.9 million (or 24%) to RMB 126.5 million, as a result of the higher revenue as well as gross profit margins for the Finished Zipper segment and the Zipper Slider segment.

The Group's average gross profit margin slightly increased by 2.7% points to 24.8% due to the new dyeing and electroplating operations acquired in 2Q2011 and 3Q2011 which generated a gross profit margin of 32.1%.

Other income and other expenses

Other income comprises government subsidies, gain on disposal of obsolescent stocks and rental income while other expenses mainly consist of foreign exchange loss. The increase in other income was due mainly to the PRC government subsidies of RMB 1.0 million obtained by the Group in 2Q2011.

Selling and distribution expenses

Selling and distribution expenses increased by RMB 1.0 million (or 27%) to RMB 5.2 million due to higher costs for land logistics, shipping, and freight charges, and in line with the increase in sales revenue of about 29% for the Zipper segment, as well as increase in marketing and advertising expenses for promotion of the Group's 3F brands of zippers.

General and administrative expenses

General and administrative expenses increased by RMB 30.5 million (or 171%) to RMB 48.3 million. This was attributable to the allowance for doubtful debts amounting to RMB5.2 million in line with the Group's policy (vs RMB 0.6million), amortization of the super durable patent of RMB4.9 million (nil in prior period), expenses related to work on Taiwan Depository Receipts and general increase in staff costs for 9M2011, higher staff costs in 9M2011, higher depreciation expenses, as well as general administration expenses relating to the 3 newly acquired subsidiaries including professional fees such as advisory, legal, and audit and the general administration expenses from the consolidation of these 3 companies.

Finance income and expenses

Finance expenses decreased by RMB 1.2 million (or 42%) to RMB 1.6 million. This was attributable to the decrease in bank overdrafts and term loans compared to the previous corresponding period. Finance income decreased by RMB 0.4 million to RMB 1.5 million due mainly to decrease in bank balance after settlement of acquisition of 3 new subsidiaries.

Tax expense

	Group		
	9 months Ended 30/9/2011 Unaudited	**9 months Ended 30/9/2010 Audited**	**Increase/ (Decrease)**
	RMB'000	**RMB'000**	**%**
Current tax[1]	25,744	22,392	15
Deferred tax[2]	7,685	6,674	15
Tax expense	33,429	29,066	15

Notes

[1] Current tax increased by RMB 3.4 million or 15% due to a higher taxable profit before taxation in 9M2011 as certain expenses are not tax-deductible under the tax rules.

[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 from 1 January 2008 onwards. As Jade Star (the PRC's subsidiaries' immediate holding Company) is incorporated in the British Virgin Islands, the applicable withholding tax rate is 10%.

3Q2011 vs. 3Q2010 (3 months)

Revenue

The Group's revenue increased by RMB 14.5 million (or 10%) to RMB 163.6 million. The increase in revenue was due mainly to the increase in Trading revenue of RMB 17.7 million, Finished Zipper of RMB 12.8 million and contributions from the newly acquired dyeing and electroplating operations namely Fulong, Jianxin and Fuxin, totalling RMB 19.7 million. This was partially offset by the decrease in revenue derived from the Zipper Chain of RMB 18.9 million and the Zipper Slider of RMB 16.7 million.

The increase in revenue from the Finished Zipper (FZ) segment was attributable to the increase in both quantity and selling prices to both local customers and overseas customers.

The decrease in revenue from the Zipper Chain segment and Zipper Slider segment was due to the decrease in selling prices to secure customer orders as overall demand had declined substantially during this quarter. The decrease in selling prices was also partly also due to lower raw materials price.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by RMB 10.0 million (or 24%) to RMB 31.8 million. The decrease in gross profit was due mainly to the decrease in revenue and average gross margins from the Zipper segments declined by 8.3% points, as a result of the significant decline in the chain and slider products.

Average gross profit margin decreased by 8.6% points to 19.4% in response to price pressure to secure customer orders in a poor market with much uncertainty of customers demand. The newly acquired dyeing and electroplating operations generated a gross profit margin of 30.3% to the Group.

Other income and other expenses

Other income comprises government subsidies, gain on disposal of obsolescent stocks and rental income while other expenses mainly consist of foreign exchange loss.

Selling and distribution expenses

Selling and distribution expenses increased by RMB 0.1 million (or 7%) to RMB 2.0 million due to increase in land logistics costs, shipping and freight charges, and slight increase in marketing and advertising expenses incurred for the promotion of the Group's 3F brand of zipper products.

General and administrative expenses

General and administrative expenses increased by RMB 18.4 million (or 538%) to RMB 21.9 million. This was attributable to the allowance for doubtful debts amounting to RMB 1.5 million (2010: written back on allowance RMB 1.3 million), amortization of the patent of RMB1.3 million, expenses related to Taiwan Depository Receipts, general increase in staff costs for 3Q2011, higher depreciation expenses, professional fees relating to the acquisition of the 3 companies and the land acquisition in Xiamen City, and general expenses relating to the consolidation of the 3 newly acquired companies into the results of the Group.

Finance income and expenses

Finance expenses decreased by RMB 0.9 million (or 83%) to RMB 0.2 million. This was attributable to the decrease in bank overdrafts and term loans compared to the previous corresponding period. Finance income decreased by RMB 0.6 million to RMB 0.6 million as prior quarter included an additional recognition of interest income earned in 2Q2010.

Tax expense

	Group		
	3 months Ended 30/6/2011 Unaudited	**3 months Ended 30/6/2010 Unaudited**	**Increase/ (Decrease)**
	RMB'000	**RMB'000**	**%**
Current tax[1]	5,893	9,331	(37)
Deferred tax[2]	1,959	3,007	(35)
Tax expense	7,852	12,338	(36)

Notes:

[1] Current tax decreased by RMB 3.4 million or 37% due to decrease in taxable profit before taxation in 3Q2011.

[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 from 1 January 2008 onwards. As Jade Star (the PRC's subsidiaries' immediate holding Company) is incorporated in the British Virgin Islands, the applicable withholding tax rate is 10%.

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

As stated in the para 10 of the Group's 2Q2011 results dated 10 August 2011, the Group was confident of a profit growth for FY2011. As the market in the PRC has deteriorated significantly since its last announcement, the Group has changed its business outlook to negative as explained in item 10.

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.

The Group is now operating in a very challenging environment. With the uncertainty over the European debt crisis, a slowdown in the U.S and European economies, the Group will operate cautiously over the course of the next 12 months. Any impact on the major economies will affect its export demand. In addition, the PRC government's effort to tighten credit to manage the high inflation has affected many enterprises and may affect its economic growth. All these in turn will affect the demand for the Group's zipper products.

The Group will continue to be cautious in dealing with existing and new customers, and shall step up its review and collections of outstanding debt. The Group shall also reduce its discretionary costs across all operations.

The Group has slowed down and deferred some of its capital projects, but continues to work on the following projects:

Projects

- worker's dormitory (2 blocks, 9F (estimated completion 1QFY2012) and 15F (estimated to start 2QFY2011, estimated completion end FY2012)
- Production area expansion (additional 4 floors, total 30,000 sqm) and storage area (estimated completion end FY2011)
- Xiamen HQ project (refer to Circular to Shareholder dated 28 Oct 2011)

The Group is currently negative on its business outlook, and will take steps to ride through the expected economic uncertainties.

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.

Not Applicable.

13. Status of Acquisition of Land Parcel and Development of Group's head office in Xiamen City

The Group refers to its announcement on 13 May 2011, in which it was announced that the Group had won a tender for a parcel of commercial land for RMB 160.7million (size 5,237.905 sqm, maximum gross building area 33,970 sqm) in Xiamen Island ("Target Land Parcel") to be developed as an office building to house its new Administrative Headquarter ("Proposed Land Acquisition and Development"), and lease out the rest of the space. More information is found in the Circular to Shareholders dated 28 October 2011. The Special General Meeting held on 14 November 2011 has approved the transaction.

14. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no general mandate from shareholders for IPTs.

BY ORDER OF THE BOARD

Hong Qing Liang
Executive Chairman & CEO

14 November 2011

FUXING CHINA GROUP LIMITED
(Incorporated in Bermuda)

Confirmation By Directors Pursuant to Clause 705(5) 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 2011 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: 14 November 2011