NEWS RELEASE

Fuxing China posts FY2011 earnings of RMB 4.1 m on revenue of RMB 675.4 m

- *4Q2011 reported a loss of RMB36.2 m due to impairment loss on intangible assets, higher amortization and staff costs as well as higher administrative expenses after consolidation of 3 new subsidiaries*
- *Strong cash position of RMB255.2 m*

Financial Highlights

RMB' million	Quarter Ended		Change	12 Months Ended		Change
	31 Dec 11	31 Dec 10	(%)	31 Dec 11	31 Dec 10	%
Revenue	**165.9**	204.3	(20)	**675.4**	664.6	1
Gross Profit	**31.0**	43.5	(29)	**157.5**	145.1	9
Gross Profit Margin (GPM)	**18.7%**	21.3%	(2.6)pts	**23.3%**	21.8%	1.5pts
(Loss)/Profit before taxation	**(36.9)**	37.7	NM	**36.8**	116.5	(68)
Net (loss)/ profit attr to Equity holders	**(36.2)**	23.1	NM	**4.1**	71.6	(94)
Earnings per share* (cents)	**(4.2)**	2.7	NM	**0.5**	8.3	(94)
NTA per share (RMB) as of the period**				**1.31**	1.33	**(2)**

* Diluted EPS based on weighted average number of shares in issue in 2011: 860,272,000 ordinary shares

** Based on issued share capital as at 31/12/2011 of 860,272,000 shares, NTA equivalent to SGD 27 cts using exchange rate of 4.8679

SINGAPORE – 29 February 2012 – Fuxing China Group Limited ("Fuxing China" or the "Group"), one of the leading vertically-integrated zipper manufacturers and 2nd largest in the PRC, today announced its financial results for the three months ("4Q2011") and twelve months ("FY2011") ended 31 December 2011.

In 4Q2011, the Group's revenue decreased 20% to RMB165.9 million compared to RMB204.3 million in 4Q2010. This was due to the decrease in Zipper Chain of RMB18.6 million, Trading segment of RMB37.2 million as well as Zipper Slider of RMB6.0 million, which was partially offset by contributions from the 3 newly acquired processing segment of RMB29.1 million.

In 4Q2011, the Zipper segment, Trading Segment and Processing Segment contributed 74%, 12% and 14% of the Group's total revenue respectively.

Revenue from Zipper Segment including Zipper Chains and Zipper Sliders, amounted to RMB121.9 million, down 17% from RMB146.5 million a year ago. The revenue from Zipper Chain and Zipper Sliders declined 17% and 16% respectively due to the decrease in selling price in line with the cost of raw materials. The Zipper Segment gross profit margin decreased to 23.9% from 28.8% in 4Q2010.

Trading Segment decreased 64% due to the decrease in sales orders in 4Q2011 while gross margin stood at 3.8%.

With the completion of the acquisition of the 3 companies, namely Fulong Zipper and Weaving Co., Ltd, Jinjiang ("Fulong"), Jinjiang Jianxin Weaving Co., Ltd ("Jianxin") and Jinjiang Fuxin Electroplating Co., Ltd ("Fuxin"), Fulong and Jian Xin's revenue has been fully captured since June 2011. Fuxin started to contribute to the Group since August 2011. These 3 companies' revenue in 4Q2011 amounted to RMB29.1 million with a gross profit margin of 3.7%.

During this quarter, the market appeared to have decline significantly. The Group decided to lower its profit margin to attract more customer orders and maintain relationship with its valued customers. This led to a significant drop in gross profit margin from 21.3% a year ago to 18.7% in 4Q2011.

On the expenses level, the Group's administrative expenses rose by RMB54.5 million or 428% to RMB67.3 million. This was due mainly to the impairment loss on goodwill for its Shanghai subsidiary and Super Durable Zipper of RMB17.5 million and RMB11.0 million, respectively, amortization of the intangible assets of RMB7.8 million, staff cost increase of RMB 11.8 million and general expenses relating to the consolidation of the 3 newly acquired companies including professional fees.

As such, the Group's suffered a net loss for amounted RMB 36.2 million.

In FY2011, the Group' revenue increased 1% to RMB675.4 million while net profit decreased 94% to RMB4.1 million compared to RMB71.6 in FY2010. This was due to the decrease in Zipper Slider of RMB10.1 million, as well as Trading of RMB71.4 million, which was partially offset by contributions from the Zipper Chain of RMB40.6 million and the 3 newly acquired processing segment of RMB64.0 million.

Based on the 12 months' results, the Group's earnings per share was RMB 0.5 cents, from RMB 8.3 cents in FY2011. Net asset value per share decreased to RMB 131 cents as at 31 December 2011, from RMB 133 cents at year-end FY2010.

Mr Hong Qingliang (洪清凉), Executive Chairman/CEO of Fuxing China commented, ***"The zipper industry as a whole continues to face business pressures caused by higher labour costs, fluctuating raw material prices and intense competition. We have to adopt flexible pricing policy to maintain our market position. On the optimistic side, we have seen the outcome of our efforts on promoting Finished Zippers, which generated a higher margin than zipper parts. "***

Segmental Review

	Group			Group		
	3 months Ended 31/12/2011 Unaudited	3 months Ended 31/12/2010 Unaudited	Increase/ (Decrease)	Year Ended 31/12/2011 Unaudited	Year Ended 31/12/2010 Audited	Increase/ (Decrease)
REVENUE	**RMB'000**	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Zipper Chain	89,698	108,293	(17)	395,905	355,337	11
Zipper Slider	32,198	38,163	(16)	137,856	147,930	(7)
Trading	20,595	57,795	(64)	89,946	161,296	(44)
Processing	29,054	-	NM	64,040	-	NM
Inter-segment sales	(5,630)	-	NM	(12,339)	-	NM
Total Group Revenue	165,915	204,251	(19)	675,408	664,563	2
COST OF SALES						
Zipper Chain	68,946	79,913	(14)	297,877	254,981	17
Zipper Slider	23,829	24,295	(2)	97,754	106,218	(8)
Trading	19,813	56,588	(65)	87,451	158,265	(45)
Processing	27,967	-	NM	47,159	-	NM
Inter-segment sales	(5,630)	-	NM	(12,339)	-	NM
Total Group Cost of Sales	134,925	160,796	(16)	517,902	519,464	(0)
GROSS PROFIT/(LOSS)						
Zipper Chain	20,752	28,380	(27)	98,028	100,356	(2)
Zipper Slider	8,369	13,868	(40)	40,102	41,712	(4)
Trading	782	1,207	(35)	2,495	3,031	(18)
Processing	1,087	-	NM	16,881	-	NM
Total Gross Profit	30,990	43,455	(29)	157,506	145,099	9
GROSS PROFIT/(LOSS) MARGIN						
	%	%	%	%	%	%
Zipper Chain	23.1	26.2	(3.1)	24.8	28.2	(3.4)
Zipper Slider	26.0	36.3	(10.3)	29.1	28.2	0.9
Trading	3.8	2.1	1.7	2.8	1.9	0.9
Processing	3.7	-	NM	26.4	-	NM
Average Gross Profit Margin	18.7	21.3	(2.6)	23.3	21.8	1.5
Zipper Segment Gross Profit Margin	23.9	28.8	(4.9)	25.9	28.2	(2.3)

NM: Not Meaningful

---------- End ----------

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 and furnishings, trading companies as well as other zipper manufacturers in the PRC.

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.

Contact Info

Hong Peng You, Executive Director, hmy@fffzipper.com
James Ma, CFO, clmaj@hotmail.com
Website: www.fuxingchinagroup.com