Singapore Office Address:
79 Anson Road #15-06 Singapore 079906
Website: www.FuxingChinaGroup.com

NEWS RELEASE

Fuxing China registers 1Q2012 loss of RMB6.1 million on revenue of RMB118 million

- Revenue declined by 30% as the zipper industry in the PRC was adversely affected by the general slowdown in the global economy.
- Gross profit margin declined by 13.4 percentage points to 12.7%, attributable to the lower sales volume and lower average selling prices and the increases in wages and depreciation expenses.

Financial Highlights

RMB (In million)	**1st Quarter Ended**		**Change**
	31 /3/ 2012	**31/3/2011**	**(%)**
Revenue	**118.0**	168.3	(30)
Gross Profit	**14.9**	43.9	(66)
Gross Profit Margin (GPM)	**12.7%**	26.1%	
(Loss)/Profit before taxation	**(3.7)**	29.4	NM
Net (Loss)/ Profit attributable to Equity holders	**(6.1)**	17.7	NM
(Loss)/Earnings per share* (cents)	**(0.7)**	2.1	NM
	As at 31/3/2012	**As at 31/12/2011**	
NTA per share as at end of period**(RMB)	**1.30**	1.31	(1)

Notes:

* Basic and diluted EPS based on weighted average number of shares in issue : 860,272,000 ordinary shares for 1Q2012 and 1Q2011.

** Based on issued share capital as at 31/03//2012 of 860,272,000 shares, NTA equivalent to SGD 26 cents using exchange rate of 5.02019 as at 31/3/12.

SINGAPORE, 14 May 2012 – Fuxing China Group Limited ("Fuxing China" or the "Group"), one of the leading vertically-integrated zipper manufacturers in the PRC has announced its financial results for the 1st quarter ended 31 March 2012 ("1Q2012").

For 1Q2012, the Group's revenue decreased by 30% to RMB118.0 million compared to RMB168.3 million for 1Q2011. This was due to the decrease in sales of the Zipper Chain (RMB31.4 million) and Zipper Sliders (RMB19.7 million) (collectively referred as the "Zippers segment") and the Trading segment (RMB12.6 million), which was partially offset by contributions from the 3 newly acquired processing segments (RMB17.6 million). The decrease in revenue from the Zippers segment was due mainly to the deteriorating market for the zipper industry in the PRC which was affected by the general slowdown in the global economy.

Faced with the weak demand in 1Q2012, the Group had to lower its average selling price of its products to retain customer's orders. Coupled with the decline in the sales volume and the increases in the wages and depreciation expenses in the cost of sales, the Group's gross profit decreased by RMB 28.9 million (or 66%) to RMB 15.0 million while the Group's gross profit margin was reduced to 12.7% as compared to 26.1% for 1Q2011.

On the expenses level, the Group's administrative expenses rose by RMB3.7 million or 28% to RMB16.6 million. This was due mainly to the RMB2.4 million increase in amortization of intangible assets expense and the RMB0.8 million increase in the allowance for doubtful debts.

As a result of the above, the Group suffered a net loss of RMB 6.1 million. The Group's loss per share was RMB 0.7 cent, compared to earnings per share of 2.1 cents in 1Q2011. Net asset value per share decreased slightly to RMB 1.30 as at 31 March 2012, from RMB 1.31 as at 31 December 2011.

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 a flexible pricing policy to maintain our market position. We expect the market for zippers to continue to be challenging for the rest of 2012. Meanwhile, we will continue to exercise tight control on our administrative expenses and strive to lower our production unit cost and inventory holding cost."

Segmental Review

	Group		
	3 months Ended 31/3/2012 Unaudited	**3 months Ended 31/3/2011 Unaudited**	**Increase/ (Decrease)**
REVENUE	**RMB'000**	**RMB'000**	**%**
Zipper Chain	70,336	101,710	(31)
Zipper Slider	18,093	37,767	(52)
Trading	16,209	28,819	(44)
Processing	17,603	-	NM
Inter-segment sales	(4,241)	-	NM
Total Group Revenue	118,000	168,296	(30)
COST OF SALES			
Zipper Chain	60,313	71,284	(15)
Zipper Slider	17,303	24,896	(31)
Trading	15,437	28,252	(45)
Processing	14,206	-	NM
Inter-segment sales	(4,241)	-	NM
Total Group Cost of Sales	103,018	124,432	(17)
GROSS PROFIT			
Zipper Chain	10,023	30,426	(67)
Zipper Slider	790	12,871	(94)
Trading	772	567	36
Processing	3,397	-	NM
Total Gross Profit	14,982	43,864	(66)
GROSS PROFIT MARGIN			
	%	**%**	**%**
Zipper Chain	14.3	29.9	(15.6)
Zipper Slider	4.4	34.1	(29.7)
Trading	4.8	2.0	2.8
Processing	19.3	-	NM
Average Gross Profit Margin	12.7	26.1	(13.4)
Zipper Segment- Gross Profit Margin	12.2	31.0	(18.8)

NM: Not Meaningful

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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, 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 Information

Mr Hong Peng You, Executive Director, email: hmy@fffzipper.com
Mr James Ma Chor Lung, Chief Financial Officer, email: clmaj@hotmail.com
Website: www.fuxingchinagroup.com