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NEWS RELEASE

Fuxing China registers 1H2012 loss of RMB16.8 million on revenue of RMB256.2 million

- Revenue declined by 26% as the zipper industry in the PRC was adversely affected by the general slowdown in the global economy.
- Gross profit margin declined by 16.5 percentage points to 10.9%, mainly attributable to the lower average selling prices and the increases in direct labour and depreciation expenses.

Financial Highlights

RMB('000)	2Q2012	2Q2011	% Change	1H2012	1H2011	% Change
Revenue	138,188	177,558	(22)	256,188	345,854	(26)
Gross profit	12,993	50,884	(74)	27,975	94,748	(70)
Gross profit margin	9.4%	28.7%		10.9%	27.4%	
(Loss)/Profit before taxation	(9,640)	36,452	N.M	(13,366)	65,832	N.M
Net (Loss)/ Profit attributable to Equity holders	(10,731)	22,595	N.M	(16,785)	40,255	N.M
(Loss)/Earnings per share* (cents)	(1.3)	2.6	N.M	(2.0)	4.7	N.M
				As at 30/06/2012	As at 31/12/2011	
NTA per share as at end of period**(RMB)				1.28	1.31	

Notes:

* Basic and diluted EPS based on weighted average number of shares in issue: 860,272,000 ordinary shares in 2012 and 2011.

** Based on issued share capital as at 30/06//2012 of 860,272,000 shares, NTA equivalent to SGD 25.8 cents using exchange rate of 4.9704 as at 30/06/12.

SINGAPORE, 14 August 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 second quarter and half year ended 30 June 2012 ("2Q2012" & "1H2012").

For 1H2012, the Group's revenue decreased by RMB89.7 million or 26% to RMB256.2 million compared to RMB345.8 million for 1H2011. This was due to the decrease in sales of the Zipper Chain (RMB54.5 million), Zipper Slider (RMB37.1 million) (collectively referred as the "Zippers segment") and the Trading segment (RMB17.2 million), which was partially offset by contributions from the 3 newly acquired processing segments (RMB29.6 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 adversely affected by the general slowdown in the global economy.

Faced with the weak demand in 1H2012, 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 66.8 million (or 70%) to RMB 28.0 million while the Group's gross profit margin declined to 10.9% as compared to 27.4% for 1H2011.

On the expenses level, the Group's administrative expenses rose by RMB12.2 million or 46% to RMB38.7 million. This was due mainly to the RMB4.4 million increase in amortization of intangible assets expense and the RMB3.6 million increase in the allowance for doubtful debts and the RMB3.8 million provision of social security insurance provided for staff in the Group.

As a result of the above, the Group suffered a net loss of RMB16.8 million for 1H2012. The Group's loss per share was RMB 2.0 cent, compared to earnings per share of 4.7 cents for 1H2011. Net asset value per share decreased slightly to RMB 1.28 as at 30 June 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 highly challenging and competitive 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			Group		
	3 months Ended 30/6/2012 Unaudited	3 months Ended 30/6/2011 Unaudited	Increase/ (Decrease)	6 months Ended 30/6/2012 Unaudited	6 months Ended 30/6/2011 Unaudited	Increase/ (Decrease)
REVENUE	**RMB'000**	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Zipper Chain	90,772	113,922	(20)	161,108	215,632	(25)
Zipper Slider	22,653	40,108	(44)	40,746	77,875	(48)
Trading	10,376	14,959	(31)	26,585	43,778	(39)
Processing	20,588	8,569	140	38,191	8,569	346
Inter-segment sales	(6,201)	-	NM	(10,442)	-	NM
Total Group Revenue	138,188	177,558	(22)	256,188	345,854	(26)
COST OF SALES						
Zipper Chain	85,325	81,071	5	145,638	152,354	(4)
Zipper Slider	18,642	25,527	(27)	35,945	50,423	(29)
Trading	9,859	14,622	(33)	25,296	42,875	(41)
Processing	17,570	5,454	222	31,776	5,454	483
Inter-segment sales	(6,201)	-	NM	(10,442)	-	NM
Total Group Cost of Sales	125,195	126,674	(1)	228,213	251,106	(9)
GROSS PROFIT						
Zipper Chain	5,447	32,851	(83)	15,470	63,278	(76)
Zipper Slider	4,011	14,581	(72)	4,801	27,452	(83)
Trading	517	337	53	1,289	903	43
Processing	3,018	3,115	(3)	6,415	3,115	106
Total Gross Profit	12,993	50,884	(74)	27,975	94,748	(70)
GROSS PROFIT MARGIN						
	%	%	%	%	%	%
Zipper Chain	6.0	28.8	(22.8)	9.6	29.3	(19.7)
Zipper Slider	17.7	36.4	(18.7)	11.8	35.3	(23.5)
Trading	5.0	2.3	2.7	4.8	2.1	2.7
Processing	14.7	36.4	(21.7)	16.8	36.4	(19.6)
Average Gross Profit Margin	9.4	28.7	(19.3)	10.9	27.4	(16.5)
Zipper Segment Gross Profit Margin	8.3	30.8	(22.5)	10.0	30.9	(20.9)

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.

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