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NEWS RELEASE

Fuxing China registers 9M2012 loss of RMB30.2 million on revenue of RMB408.4 million

- Revenue declined by 20% as the zipper industry in the PRC was adversely affected by the general slowdown in the global economy.
- Gross profit margin declined by 14.6 percentage points to 10.2%, mainly attributable to the lower average selling prices and the increases in direct labour and depreciation..

Financial Highlights

RMB('000)	3Q2012	3Q2011	% Change	9M2012	9M2011	% Change
Revenue	152,241	163,639	(7)	408,429	509,493	(20)
Gross profit	13,598	31,768	(57)	41,573	126,516	(67)
Gross profit margin	8.9%	19.4%		10.2%	24.8%	
(Loss)/Profit before taxation	(12,128)	7,897	N.M	(25,494)	73,729	N.M
(Loss)/ Profit attributable to Equity holders	(13,389)	45	N.M	(30,174)	40,300	N.M
(Loss)/Earnings per share* (cents)	(1.6)	0.0	N.M	(3.5)	4.7	N.M
				As at 30/09/2012	As at 31/12/2011	
NTA per share as at end of period**(RMB)				1.27	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 30/09//2012 of 860,272,000 shares, NTA equivalent to SGD 24.6 cents using exchange rate of 5.1613 as at 30/09/12.

SINGAPORE, 12 November 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 third quarter and nine months ended 30 September 2012 ("3Q2012" & "9M2012").

For 9M2012, the Group's revenue decreased by RMB101.1 million or 20% to RMB408.4 million compared to RMB509.5 million for 9M2011. This was due to the decrease in sales of the Zipper Chain (RMB49.1 million), Zipper Slider (RMB37.1 million) (collectively referred as the "Zippers segment") and the Trading segment (RMB30.8 million), which was partially offset by contributions from the 3 newly acquired processing segments (RMB15.9 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 9M2012, 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 in the cost of sales, the Group's gross profit decreased by RMB 84.9 million (or 67%) to RMB 41.6 million while the Group's gross profit margin declined to 10.2% compared to 24.8% for 9M2011.

On the expenses level, the Group's administrative expenses rose by RMB15.2 million or 31% to RMB63.5 million. This was due mainly to the RMB7.3 million increase in amortization of intangible assets expense and the RMB7.7 million increase in the allowance for doubtful debts.

As a result of the above, the Group suffered a net loss of RMB30.2 million for 9M2012. The Group's loss per share was RMB 1.6 cent, compared to earnings per share of 4.7 cents for 9M2011. Net asset value per share decreased slightly to RMB 1.27 as at 30 September 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 30/9/2012 Unaudited	**3 months Ended 30/9/2011 Unaudited**	**Increase/ (Decrease)**	**9 months Ended 30/9/2012 Unaudited**	**9 months Ended 30/9/2011 Unaudited**	**Increase/ (Decrease)**
REVENUE	**RMB'000**	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Zipper Chain	95,989	90,574	6	257,097	306,207	(16)
Zipper Slider	27,790	27,783	0	68,536	105,658	(35)
Trading	12,028	25,574	(53)	38,613	69,351	(44)
Processing	20,504	26,417	(22)	58,695	34,986	68
Inter-segment sales	(4,070)	(6,709)	(39)	(14,512)	(6,709)	116
Total Group Revenue	152,241	163,639	(7)	408,429	509,493	(20)
COST OF SALES						
Zipper Chain	88,587	71,948	23	234,225	224,302	4
Zipper Slider	24,332	21,422	14	60,277	71,845	(16)
Trading	11,463	24,763	(54)	36,759	67,638	(46)
Processing	18,331	20,447	(10)	50,107	25,901	93
Inter-segment sales	(4,070)	(6,709)	(39)	(14,512)	(6,709)	116
Total Group Cost of Sales	138,643	131,871	5	366,856	382,977	(4)
GROSS PROFIT						
Zipper Chain	7,402	18,626	(60)	22,872	81,905	(72)
Zipper Slider	3,458	6,361	(46)	8,259	33,813	(76)
Trading	565	811	(30)	1,854	1,713	8
Processing	2,173	5,970	(64)	8,588	9,085	(5)
Total Gross Profit	13,598	31,768	(57)	41,573	126,516	(67)
GROSS PROFIT MARGIN						
	%	%	% points	%	%	% points
Zipper Chain	7.7	20.6	(12.9)	8.9	26.7	(17.8)
Zipper Slider	12.4	22.9	(10.5)	12.1	32.0	(19.9)
Trading	4.7	3.2	1.5	4.8	2.5	2.3
Processing	10.6	22.6	(12.0)	14.6	26.0	(11.3)
Average Gross Profit Margin	8.9	19.4	(10.5)	10.2	24.8	(14.6)
Zipper Segment Gross Profit Margin	8.8	21.1	(12.3)	9.6	28.1	(18.5)

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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