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NEWS RELEASE

Fuxing China registers FY2012 loss of RMB173.2 million on revenue of RMB568.7 million

- Revenue declined by 16% as the zipper industry in the PRC was adversely affected by the general slowdown in the global economy.
- Gross profit margin declined by 13.7 percentage points to 9.6%, mainly attributable to the lower average selling prices and increases in direct labour cost and depreciation.

Financial Highlights

RMB('000)	4Q2012	4Q2011	% Change	FY2012	FY2011	% Change
Revenue	160,256	165,915	(3)	568,685	675,408	(16)
Gross profit	13,125	30,990	(58)	54,698	157,506	(65)
Gross profit margin	8.2%	18.7%		9.6%	23.3%	
(Loss)/Profit before taxation	(139,770)	(36,941)	278	(165,264)	36,788	N.M
(Loss)/ Profit attributable to Equity holders	(143,102)	(36,180)	295	(173,276)	4,120	N.M
(Loss)/Earnings per share* (cents)	(16.6)	(4.2)	295	(20.1)	0.5	N.M
				As at 31/12/2012	As at 31/12/2011	
NTA per share as at end of year**(RMB)				1.11	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 31/12//2012 of 860,272,000 shares, NTA equivalent to SGD 21.6 cents using exchange rate of 5.1232 as at 31/12/12.

SINGAPORE, 28 February 2013 – 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 fourth quarter and the year ended 31 December 2012 ("4Q2012" & "FY2012").

For FY2012, the Group's revenue decreased by RMB106.7 million or 16% to RMB568.7 million compared to RMB675.4 million for FY2011. This was due to the decrease in sales of the Zipper Chain (RMB41.8 million), Zipper Slider (RMB51.3 million) (collectively referred as the "Zippers segment") and the Trading segment (RMB23.1 million), which was partially offset by contributions from the 3 newly acquired processing segments (RMB16.3 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 FY2012, the Group had to lower its average selling prices of its products to retain customer orders. Coupled with the decline in sales and increases in the wages and depreciation in the cost of sales, the Group's gross profit decreased by RMB 102.8 million (or 65%) to RMB 54.7 million while the Group's gross profit margin declined to 9.6% compared to 23.3% for FY2011.

On the expenses level, the Group's administrative expenses rose by RMB85.9 million or 79% to RMB195.2 million. This was due mainly to a RMB51.4 million increase in writing off of intangible assets. Impairment of intangible assets represented impairment of goodwill attributable to the Processing segment (RMB 80.0 million). The impairments were made due to the decreases in projected revenue and profits for the next five years as a result of the weak market demand which reduces their recoverable amount determined using profit forecasts and cash flow projections. In addition, there was an increase of RMB35.6 million in the provision for social contribution for FY2012 which included underprovision in FY2011.

As a result of the above, the Group suffered a net loss of RMB173.2 million for FY2012. The Group's loss per share was RMB 20.1 cents, compared to earnings per share of 0.5 cents for FY2011. Net asset value per share decreased to RMB 1.11 as at 31 December 2012, compared to 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 next twelve months. 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 31/12/2012 Unaudited	**3 months Ended 31/12/2011 Unaudited**	**Increase/ (Decrease)**	**Year Ended 31/12/2012 Unaudited**	**Year Ended 31/12/2011 Audited**	**Increase/ (Decrease)**
REVENUE	**RMB'000**	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Zipper Chain	97,013	89,698	8	354,110	395,905	(11)
Zipper Slider	18,000	32,198	(44)	86,536	137,856	(37)
Trading	28,272	20,595	37	66,885	89,946	(26)
Processing	21,649	29,054	(25)	80,344	64,040	25
Inter-segment sales	(4,678)	(5,630)	(17)	(19,190)	(12,339)	56
Total Group Revenue	160,256	165,915	(3)	568,685	675,408	(16)
COST OF SALES						
Zipper Chain	88,217	68,946	28	322,442	297,877	8
Zipper Slider	15,923	23,829	(33)	76,200	97,754	(22)
Trading	27,073	19,813	37	63,832	87,451	(27)
Processing	20,596	27,967	(26)	70,703	47,159	50
Inter-segment sales	(4,678)	(5,630)	(17)	(19,190)	(12,339)	56
Total Group Cost of Sales	147,131	134,925	9	513,987	517,902	(1)
GROSS PROFIT/(LOSS)						
Zipper Chain	8,796	20,752	(58)	31,668	98,028	(68)
Zipper Slider	2,077	8,369	(75)	10,336	40,102	(74)
Trading	1,199	782	53	3,053	2,495	22
Processing	1,053	1,087	(3)	9,641	16,881	(43)
Total Gross Profit	13,125	30,990	(58)	54,698	157,506	(65)
GROSS PROFIT/(LOSS) MARGIN						
	%	**%**	**% pts**	**%**	**%**	**% pts**
Zipper Chain	9.1	23.1	(14.0)	8.9	24.8	(15.9)
Zipper Slider	11.5	26.0	(14.5)	11.9	29.1	(17.2)
Trading	4.2	3.8	0.4	4.6	2.8	1.8
Processing	4.9	3.7	1.1	12.0	26.4	(14.4)
Average Gross Profit Margin	8.2	18.7	(10.5)	9.6	23.3	(13.7)
Zipper Segment Gross Profit Margin	9.5	23.9	(14.4)	9.5	25.9	(16.4)

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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