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NEWS RELEASE

Fuxing China registers 1H2013 loss of RMB28.2 million on revenue of RMB288.6 million

- Revenue increased by 13% mainly due to the RMB40.1 million increase in revenue of the Trading segment .
- Gross profit margin declined by 3.6 percentage points to 7.3%, mainly attributable to the lower average selling prices and the increases in direct labour cost.

Financial Highlights

RMB('000)	2Q2013	2Q2012	% Change	1H2013	1H2012	% Change
Revenue	147,257	138,188	7	288,578	256,188	13
Gross profit	10,792	12,993	(17)	21,156	27,975	(24)
Gross profit margin	7.3%	9.4%		7.3%	10.9%	
Loss before taxation	(16,675)	(9,640)	73	(26,862)	(13,366)	101
Net Loss attributable to Equity holders	(17,403)	(10,731)	62	(28,252)	(16,785)	68
Loss per share* (cents)	(2.0)	(1.3)	54	(3.3)	(2.0)	65
				As at 30/06/2013	As at 31/12/2012	
NTA per share as at end of period**(RMB)				1.08	1.11	

Notes:

* Basic and diluted EPS based on weighted average number of shares in issue: 860,272,000 ordinary shares in 1H2013 and 1H2012.

** Based on issued share capital as at 30/06/2013 of 860,272,000 shares, NTA equivalent to SGD 22.1 cents using exchange rate of 4.8847 as at 30/06/2013.

SINGAPORE, 13 August 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 second quarter ended 30 June 2013 and half year ended 30 June 2012 ("2Q2013" & "1H2013").

For 1H2013, the Group's revenue increased by RMB 32.4 million (or 13%) to RMB 288.6 million. The increase was due mainly to the increase in revenue of the Trading segment (RMB 40.1 million). This was partially offset by the decrease in revenue contributions from the Zipper Chains (RMB 4.0 million) and Zipper Sliders (RMB 4.6 million) (collectively referred as the "Zippers segment") and the Processing segment (RMB 2.8 million). The decrease in revenue from the Zippers Segment in 1H2013 was attributable to the lower selling prices arising from the deteriorating market for the zipper industry.

Faced with the weak demand in 1H2013, the Group had to lower its average selling price of its products to retain customer's orders. Coupled with the increases in the wages in the cost of sales, the Group's gross profit decreased by RMB 6.8 million (or 24%) to RMB 21.2 million while the Group's gross profit margin declined to 7.3% compared to 10.9% for 1H2012.

On the expenses level, the Group's administrative expenses decreased by RMB0.4 million or 1% to RMB38.3 million as a result of effective cost control measures undertaken by the Group.

As a result of the above factors, the Group suffered a net loss of RMB28.3 million for 1H2013. The Group's loss per share was RMB 3.3 cents, compared to loss per share of 2.0 cents for 1H2012. Net asset value per share decreased to RMB 1.08 as at 30 June 2013, from RMB 1.11 as at 31 December 2012.

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 the year. Meanwhile, we will continue to exercise tight control on our administrative expenses and strive to lower our production unit cost."

Segmental Review

	Group			Group		
	3 months Ended 30/6/2013 Unaudited	3 months Ended 30/6/2012 Unaudited	Increase/ (Decrease)	6 months Ended 30/6/2013 Unaudited	6 months Ended 30/6/2012 Unaudited	Increase/ (Decrease)
REVENUE	**RMB'000**	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Zipper Chain	78,716	90,772	(13)	157,109	161,108	(2)
Zipper Slider	16,859	22,653	(26)	36,187	40,746	(11)
Trading	37,018	10,376	257	67,495	26,585	154
Processing	19,936	20,588	(3)	35,420	38,191	(7)
Inter-segment sales	(5,272)	(6,201)	(15)	(7,633)	(10,442)	(27)
Total Group Revenue	147,257	138,188	7	288,578	256,188	13
COST OF SALES						
Zipper Chain	72,518	85,325	(15)	144,110	145,638	(1)
Zipper Slider	14,454	18,642	(22)	31,489	35,945	(12)
Trading	36,258	9,859	268	65,782	25,296	160
Processing	18,507	17,570	5	33,674	31,776	6
Inter-segment sales	(5,272)	(6,201)	(15)	(7,633)	(10,442)	(27)
Total Group Cost of Sales	136,465	125,195	9	267,422	228,213	17
GROSS PROFIT						
Zipper Chain	6,198	5,447	14	12,999	15,470	(16)
Zipper Slider	2,405	4,011	(40)	4,698	4,801	(2)
Trading	760	517	47	1,713	1,289	33
Processing	1,429	3,018	(53)	1,746	6,415	(73)
Total Gross Profit	10,792	12,993	(17)	21,156	27,975	(24)
GROSS PROFIT MARGIN						
	%	**%**	**% pts**	**%**	**%**	**% pts**
Zipper Chain	7.9	6.0	1.9	8.3	9.6	(1.3)
Zipper Slider	14.3	17.7	(3.4)	13	11.8	1.2
Trading	2.1	5.0	(2.9)	2.5	4.8	(2.3)
Processing	7.2	14.7	(7.5)	4.9	16.8	(11.9)
Average Gross Profit Margin	7.3	9.4	(2.1)	7.3	10.9	(3.6)
Zipper Segment Gross Profit Margin	9.0	8.3	0.7	9.2	10.0	(0.8)

END

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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