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NEWS RELEASE

Fuxing China registers 9M2013 loss of RMB45.4 million on revenue of RMB453.9 million

- Revenue increased by 11% due mainly to the RMB58.4 million increase in revenue of the Trading segment.
- Gross profit margin declined by 2.3 percentage points to 7.9%, mainly due to the decrease in profit margin from the Processing segment arising from the increase in cost of raw materials in the Processing segment.

Financial Highlights

RMB('000)	3Q2013	3Q2012	% Change	9M2013	9M2012	% Change
Revenue	165,328	152,241	9	453,906	408,429	11
Gross profit	14,656	13,598	8	35,812	41,573	(14)
Gross profit margin	8.9%	8.9%		7.9%	10.2%	
Loss before taxation	(15,547)	(12,128)	28	(42,409)	(25,494)	66
Net Loss attributable to Equity holders	(17,186)	(13,389)	28	(45,438)	(30,174)	51
Loss per share* (cents)	(2.0)	(1.6)	25	(5.3)	(3.5)	51
				As at 30/09/2013	As at 31/12/2012	
NTA per share as at end of period**(RMB)				1.06	1.11	

Notes:

* Basic and diluted EPS based on weighted average number of shares in issue: 860,272,000 ordinary shares in 9M2013 and 9M2012.

** Based on issued share capital as at 30/09/2013 of 860,272,000 shares, NTA equivalent to SGD 21.6 cents using exchange rate of 4.8996 as at 30/09/2013.

SINGAPORE, 13 November 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 third quarter and nine months ended 30 September 2013 ("3Q2013" & "9M2013").

For 9M2013, the Group's revenue increased by RMB 45.5 million (or 11%) to RMB 453.9 million. The increase was due mainly to the increase in revenue of the Trading segment (RMB 58.4 million). This was partially offset by the decrease in revenue contributions from the Zipper Chains (RMB 1.1 million) and Zipper Sliders (RMB 8.1 million) (collectively referred as the "Zippers segment") and the Processing segment (RMB 4.7 million). The decrease in revenue from the Zippers segment in 9M2013 was attributable 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 a weak demand in 9M2013, the Group had to lower its average selling prices of its products to retain customer's orders. Coupled with the increases in the wages in the cost of sales and increase in the cost of raw materials in the Processing segment, the Group's gross profit decreased by RMB 5.8 million (or 14%) to RMB 35.8 million while the Group's gross profit margin declined to 7.9% compared to 10.2% for 9M2012.

On the expenses level, the Group's general and administrative expenses increased by RMB 14.1 million to RMB 77.6 million. The increase was due mainly to an impairment loss on intangible assets from the Processing segment (RMB 19.4 million). This was partially offset by the RMB7.0 million decrease in allowance for doubtful trade receivables from RMB12.9 million to RMB5.9 million. Impairment of intangible assets represented the impairment of goodwill on consolidation attributable to the Processing segment. The impairment was made due to the decrease in projected revenue and profits for the next five years used in the discounted cashflows.

As a result of the above factors, the Group suffered a net loss of RMB45.4 million for 9M2013. The Group's loss per share was RMB 5.3 cents, compared to loss per share of 3.5 cents for 9M2012. Net asset value per share decreased to RMB 1.06 as at 30 September 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 30/9/2013 Unaudited	3 months Ended 30/9/2012 Unaudited	Increase/ (Decrease)	9 months Ended 30/9/2013 Unaudited	9 months Ended 30/9/2012 Unaudited	Increase/ (Decrease)
REVENUE	**RMB'000**	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Zipper Chain	98,910	95,989	3	256,019	257,097	(1)
Zipper Slider	24,259	27,790	(13)	60,446	68,536	(12)
Trading	29,474	12,028	145	96,969	38,613	151
Processing	18,595	20,504	(9)	54,015	58,695	(8)
Inter-segment sales	(5,910)	(4,070)	45	(13,543)	(14,512)	(7)
Total Group Revenue	165,328	152,241	9	453,906	408,429	11
COST OF SALES						
Zipper Chain	87,137	88,587	(2)	231,247	234,225	(1)
Zipper Slider	21,552	24,332	(11)	53,041	60,277	(12)
Trading	28,760	11,463	151	94,542	36,759	157
Processing	19,133	18,331	4	52,807	50,107	5
Inter-segment sales	(5,910)	(4,070)	45	(13,543)	(14,512)	(7)
Total Group Cost of Sales	150,672	138,643	9	418,094	366,856	14
GROSS PROFIT						
Zipper Chain	11,773	7,402	59	24,772	22,872	8
Zipper Slider	2,707	3,458	(22)	7,405	8,259	(10)
Trading	714	565	26	2,427	1,854	31
Processing	(538)	2,173	NM	1,208	8,588	(86)
Total Gross Profit	14,656	13,598	8	35,812	41,573	(14)
GROSS PROFIT MARGIN						
	%	**%**	**% pts**	**%**	**%**	**% pts**
Zipper Chain	11.9	7.7	4.2	9.7	8.9	0.8
Zipper Slider	11.2	12.4	(1.2)	12.3	12.1	0.2
Trading	2.4	4.7	(2.3)	2.5	4.8	(2.3)
Processing	(2.9)	10.6	(13.5)	2.2	14.6	(12.4)
Average Gross Profit Margin	8.9	8.9	-	7.9	10.2	(2.3)
Zipper Segment Gross Profit Margin	11.8	8.8	3	10.2	9.6	0.6

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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