FUXING CHINA GROUP LIMITED
(Incorporated in Bermuda)
(Co. Reg. No: 38973)

QUARTERLY FINANCIAL STATEMENT ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group Statement of Comprehensive Income for the third quarter and nine months ended 30 September 2014. These figures have not been audited.

	Group			Group		
	3 months Ended 30/9/2014 Unaudited	3 months Ended 30/9/2013 Unaudited	Increase/ (Decrease)	9 months Ended 30/9/2014 Unaudited	9 months Ended 30/9/2013 Unaudited	Increase/ (Decrease)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	164,992	165,328	0	432,260	453,906	(5)
Cost of sales	(151,732)	(150,672)	1	(392,379)	(418,094)	(6)
Gross profit	13,260	14,656	(10)	39,881	35,812	11
Other income and expenses	8,836	12,606	(30)	12,353	9,370	32
Selling and distribution expenses	(2,016)	(1,852)	9	(5,153)	(5,934)	(13)
General and administrative expenses	(10,678)	(39,343)	(73)	(38,762)	(77,640)	(50)
Profit/(Loss) from operating activities	9,402	(13,933)	NM	8,319	(38,392)	NM
Finance income	426	324	31	1,520	1,423	7
Finance expense	(1,906)	(1,938)	(2)	(5,555)	(5,440)	2
Profit/(Loss) before taxation	7,922	(15,547)	NM	4,284	(42,409)	NM
Income tax expense	(938)	(1,639)	(43)	(5,586)	(3,029)	84
Profit/(Loss) for the period attributable to shareholders	6,984	(17,186)	NM	(1,302)	(45,438)	(97)
Statement of Comprehensive Income						
Profit/(Loss) attributable to shareholders	6,984	(17,186)	NM	(1,302)	(45,438)	(97)
Other comprehensive income/(loss) for the period						
Item that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations	174	619	(72)	(1,545)	3,198	NM
Total comprehensive profit/(loss) for the period attributable to shareholders	7,158	(16,567)	NM	(2,847)	(42,240)	(93)

Note: The Group's profit/(loss) before taxation is determined after charging / (crediting) the following items:

Allowance for doubtful trade receivables	1,385	187	641	10,617	5,874	81
Amortisation of land use rights	273	242	13	706	858	(18)
Amortisation of intangible assets	4	4,562	(99)	127	13,687	(99)
Depreciation of property, plant and equipment	9,330	11,836	(21)	28,379	32,806	(13)
Impairment of intangible assets	-	19,407	NM	-	19,407	NM
Inventory written down	-	-	NM	-	3,000	NM
Loss/(Gain) on disposal of subsidiary	-	(11,860)	NM	-	(11,860)	NM
Foreign exchange loss/(gain), net	365	1,402	(74)	(1,231)	5,489	NM
Salaries and bonuses	18,037	17,253	5	52,570	50,339	4

NM: Not Meaningful

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/9/2014 Unaudited	**31/12/2013 Audited**	**30/9/2014 Unaudited**	**31/12/2013 Audited**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
ASSETS				
Non-current assets				
Property, plant and equipment	300,374	324,850	-	-
Investment properties	258,273	234,890	-	-
Land use rights	34,193	34,899	-	-
Intangible assets	5	131	-	-
Prepayments	2,903	2,529	-	-
Investment in subsidiaries	-	-	344,853	344,853
	595,748	597,299	344,853	344,853
Current assets				
Inventories	83,662	64,888	-	-
Trade and other receivables	203,515	215,493	2	2
Prepayments	88,610	77,843	-	-
Amount due from subsidiaries (non-trade)	-	-	484,339	465,933
Fixed deposits	41,210	66,482	-	-
Cash and bank balances	278,517	253,016	418	613
	695,514	677,722	484,759	466,548
Total assets	1,291,262	1,275,021	829,612	811,401
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	14,278	8,643	-	-
Bills payable to banks	117,667	149,743	-	-
Other payables & accruals	146,010	179,785	1,710	1,279
Amount due to directors (non-trade)	4,974	5,704	4,608	3,980
Amount due to related companies (non-trade)	-	-	-	100
Short-term bank loans	211,813	142,724	-	-
Bank overdrafts	8,813	-	-	-
Income tax payable	4,803	5,704	-	-
Total current liabilities	508,358	492,303	6,318	5,359
Non-current liabilities				
Deferred tax liabilities	55,709	52,676	-	-
	55,709	52,676	-	-
Total liabilities	564,067	544,979	6,318	5,359
Equity attributable to equity holders of the Company				
Share capital	772,574	772,574	772,574	772,574
Treasury shares	(6,408)	(6,408)	(6,408)	(6,408)
Reserve fund	63,502	63,502	-	-
Restructuring reserve	(117,878)	(117,878)	-	-
Contributed surplus	39,573	39,573	39,573	39,573
Translation reserve	1,843	3,388	-	-
Accumulated (losses) /profits	(26,011)	(24,709)	17,555	303
Total equity	727,195	730,042	823,294	806,042
Total equity and liabilities	1,291,262	1,275,419	829,612	811,401

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 30 September 2014		As at 31 December 2013	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Bills payable to banks				
- China CITIC Bank[1]	60,000	-	80,000	-
- China Construction Bank[2]	30,000	-	40,000	-
- Industrial and Commercial Bank of China – Longhu Jinjiang Branch [3]	8,600	-	14,810	-
- Hang Seng Bank[4]	19,067	-	14,933	-
Short-term bank loans				
- China CITIC Bank[1]	55,000	-	50,000	-
- Industrial and Commercial Bank of China – Longhu Jinjiang Branch[3]	8,000	-	8,000	-
- Hang Seng Bank[4]	19,813	-	15,724	-
- China Construction Bank Dongqu Branch[5]	110,000	-	50,000	-
- Fujian Jinjiang Agricultural Bank – Longhu Branch [6]	19,000	-	19,000	-
Bank overdraft				
- Hang Seng Bank[4]	8,813	-	-	-

Notes:

[1] The bills payable of RMB 60.0 million and short-term bank loan of RMB55.0 million were secured by bank deposits of Jinjiang Fookhing Zipper Co. Ltd., and certain land and buildings owned by Jinjiang Jianxin Weaving Co. Ltd., located at Donghaian Development Zone, Shenhu Town, Jinjiang City, Fujian Province, the People's Republic of China ("The PRC"), and a personal guarantee from a related party - Mr. Hong Qing Liang (Executive Chairman and CEO), and corporate guarantees from a subsidiary, Jinjiang Fuxing Dress Co. Ltd. and an independent third party - Jinjiang Yuanda Garment Weaving Co. Ltd.

[2] RMB 30 million bills payable was secured by bank deposits of Jinjiang Fuxing Dress Co. Ltd., and certain land and buildings owned by Fulong Zipper and Weaving Co., Ltd., located at Donghaian Comprehensive Development Zone, Shenhu Town, Jinjiang City, Fujian Province, PRC., and personal guarantee from related parties - Mr. Hong Qing Liang (Executive Chairman and CEO), and Ms Shi MeiMei (spouse of Mr. Hong Qing Liang)

[3] The bills payable of RMB 8.6 million and the short-term bank loan of RMB 8.0 million were secured by certain land and buildings owned by Jinjiang Fookhing Zipper Co. Ltd., located at Hangbian Industrial Area, Longhu Town, Jinjiang City, Fujian Province, the PRC, a personal guarantee from a related party - Mr. Hong Qing Liang (Executive Chairman and CEO), corporate guarantees from a subsidiary - Jinjiang Fuxing Dress Co. Ltd., and an independent third party - Jinjiang Yuanda Garment Weaving Co. Ltd.

[4] The bills payable of RMB 19.1 million, the short-term loan of RMB 19.8 million and the bank overdraft of RMB 8.8 million were secured by a charge over investment property (13th floor which is the top floor) owned by Pretty Limited and part of the 12th floor, the Staircase of Tower A, Mandarin Plaza, No 14 Science Museum Road, Kowloon, rental receipt arising from the mortgaged property, a corporate guarantee from Fuxing China Group Limited, and a personal guarantee from a related party - Mr. Hong Qing Liang (Executive Chairman and CEO).

Pretty Limited is wholly-owned by Mr. Hong Qing Liang (Executive Chairman and CEO).

[5] This loan was secured by a land parcel owned by Xiamen Fuxing Industrial Co., Ltd., located at northeast to the junction of Tai Dong Road and Tai Nan Road, 03-07 Guanyin Shan, Siming District, Xiamen, PRC.

[6] This loan was guaranteed by personal guarantees from a related party - Mr. Hong Qing Liang (Executive Chairman and CEO), an independent third party – Mr. Wu Yuan Yang and a corporate guarantee from an independent third party - Jinjiang Yuanda Garment Weaving Co. Ltd.

1**(c)** A cash flow statement for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months Ended 30/9/2014 Unaudited RMB'000	3 months Ended 30/9/2013 Unaudited RMB'000	9 months Ended 30/9/2014 Unaudited RMB'000	9 months Ended 30/9/2013 Unaudited RMB'000
OPERATING ACTIVITIES				
Profit/(Loss) before taxation	**7,922**	**(15,547)**	**4,284**	**(42,409)**
Adjustments for:				
Depreciation of property, plant and equipment	9,330	11,836	28,379	32,806
Amortisation of land use rights	273	242	706	858
Amortisation of intangible assets	4	4,562	127	13,687
Impairment loss on intangible assets	-	19,407	-	19,407
Gain on disposal of subsidiary	-	(11,860)	-	(11,860)
Loss on disposal of property, plant and equipment	-	-	67	-
Allowance for doubtful trade receivables	1,385	187	10,617	5,874
Inventory written down	-	-	-	3,000
Interest expense	1,905	1,938	5,555	5,440
Interest income	(426)	(324)	(1,520)	(1,423)
Foreign currency loss	149	379	(1,419)	2,181
Total adjustments	12,620	26,367	42,512	69,970
Operating cash flows before changes in working capital	**20,542**	**10,820**	**46,796**	**27,561**
(Increase)/ Decrease in:				
Inventories	25	12,572	(18,774)	(31,236)
Trade and other receivables	4,276	(55,542)	1,361	(46,619)
Prepayments	(8,080)	(29,835)	(10,767)	(17,124)
Increase/ (Decrease) in:				
Trade payables	4,999	3,684	5,635	17,341
Other payables & accruals	15,356	48,641	(65,851)	47,157
Due to directors	(2,422)	(497)	(730)	19,238
Total changes in working capital	14,154	(20,977)	(89,126)	(11,243)
Cash flows generated from / (used in) operations	**34,696**	**(10,157)**	**(42,330)**	**16,318**
Interest expense paid	(1,905)	(1,938)	(5,555)	(5,440)
Interest income received	426	324	1,520	1,423
Income tax paid	(1,376)	(384)	(3,454)	(1,768)
Net cash generated from / (used in) operating activities	**31,841**	**(12,155)**	**(49,819)**	**10,533**
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(2,174)	(3,344)	(4,345)	(18,731)
Purchase of investment properties	(11,204)	(4,223)	(23,383)	(22,490)
Disposal of subsidiary	-	(866)	-	(866)
Net cash used in investing activities	**(13,378)**	**(8,433)**	**(27,728)**	**(42,087)**
FINANCING ACTIVITIES				
Proceeds from loans and borrowings	77,963	61,926	137,963	137,858
Repayments of loans and borrowings	(69,000)	(52,119)	(69,000)	(65,278)
Increase in fixed deposits pledged to banks	5,483	(4,073)	25,272	(4,027)
Net cash generated from financing activities	**14,446**	**5,734**	**94,235**	**68,553**
NET INCREASE /(DECREASE) IN CASH & CASH EQUIVALENTS	32,909	(14,854)	16,688	36,999
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	236,795	230,281	253,016	178,428
CASH & CASH EQUIVALENTS AT END OF PERIOD (Note A)	269,704	215,427	269,704	215,427

Note A:

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

	9 months Ended 30/9/2014 Unaudited RMB'000	9 months Ended 30/9/2013 Unaudited RMB'000
Fixed deposits	41,210	72,900
Cash and bank balances	278,517	237,388
	319,727	310,288
Less: Bank overdraft	(8,813)	(21,961)
Fixed deposits (pledged)	(41,210)	(72,900)
Cash and cash equivalents	269,704	215,427

Fixed deposits amounting to RMB 41,210,000 (2013: 72,900,000) are pledged to banks for the Group's bills payable to banks, Short-term bank loans and bank overdrafts respectively.

1(d)(i) A statement for the issuer and group showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	**Share capital** RMB'000	**Treasury shares** RMB'000	**Reserve fund** RMB'000	**Contributed surplus** RMB'000	**Restructuring reserve**[1] RMB'000	**Translation reserve** RMB'000	**Accumulated profits / (losses)** RMB'000	**Total equity** RMB'000
At 1 January 2013	772,574	(6,408)	62,544	39,573	(117,878)	(49)	200,362	950,718
Total comprehensive loss for the period	-	-	-	-	-	3,296	(45,438)	(42,142)
At 30 September 2013	772,574	(6,408)	62,544	39,573	(117,878)	3,247	154,924	908,576
At 1 January 2014	772,574	(6,408)	63,502	39,573	(117,878)	3,388	(24,709)	730,042
Total comprehensive loss for the period	-	-	-	-	-	(1,545)	(1,302)	(2,847)
At 30 September 2014	772,574	(6,408)	63,502	39,573	(117,878)	1,843	(26,011)	727,195
Company								
At 1 January 2013	772,574	(6,408)	-	39,573	-	-	10,663	816,402
Total comprehensive loss for the period	-	-	-	-	-	-	(9,001)	(9,001)
At 30 September 2013	772,574	(6,408)	-	39,573	-	-	1,662	807,401
At 1 January 2014	772,574	(6,408)	-	39,573	-	-	303	806,042
Total comprehensive income for the period	-	-	-	-	-	-	17,252	17,252
At 30 September 2014	772,574	(6,408)	-	39,573	-	-	17,555	823,294

Group	Share capital RMB'000	Treasury shares RMB'000	Reserve fund RMB'000	Contributed surplus RMB'000	Restructuring reserve[1] RMB'000	Translation reserve RMB'000	Accumulated profits / (losses) RMB'000	Total equity RMB'000
At 1 July 2013	772,574	(6,408)	62,544	39,573	(117,878)	2,628	172,110	925,143
Total comprehensive loss for the period	-	-	-	-	-	619	(17,186)	(16,567)
At 30 September 2013	772,574	(6,408)	62,544	39,573	(117,878)	3,247	154,924	908,576
At 1 July 2014	772,574	(6,408)	63,502	39,573	(117,878)	1,669	(32,995)	720,037
Total comprehensive income for the period	-	-	-	-	-	174	6,984	7,158
At 30 September 2014	772,574	(6,408)	63,502	39,573	(117,878)	1,843	(26,011)	727,195
Company								
At 1 July 2013	772,574	(6,408)	-	39,573	-	-	3,741	809,480
Total comprehensive loss for the period	-	-	-	-	-	-	(2,079)	(2,079)
At 30 September 2013	772,574	(6,408)	-	39,573	-	-	1,662	807,401
At 1 July 2014	772,574	(6,408)	-	39,573	-	-	(919)	804,820
Total comprehensive income for the period	-	-	-	-	-	-	18,474	18,474
At 30 September 2014	772,574	(6,408)	-	39,573	-	-	17,555	823,294

Note:

[1] **Restructuring reserve:**

This represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and capital reserve of subsidiaries acquired which is accounted for under "merger accounting".

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Buy-back
During the period ended 30 September 2014, there were no shares acquired.

Convertibles
For the third quarter ended 30 September 2014, there were no outstanding convertibles.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

	As at 30 September 2014	**As at 31 December 2013**
Total number of issued shares excluding treasury shares	860,272,000	860,272,000

There were a total of 13,886,000 treasury shares as at 30 September 2014.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

	Treasury shares
Total number of shares as at 1 January 2014	13,886,000
Purchases of shares during the period	-
Total number of shares as at 30 September 2014	13,886,000

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 September 2014.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 December 2013 have been applied in the preparation for the financial statements for the nine months ended 30 September 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the new/revised FRS and INT FRS has no material financial impact on the Group's and Company's financial statements for the nine months ended 30 September 2014.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(Loss)/Earnings per ordinary share of the group, after deducting any provision for preference dividends (in cents):	Group		Group	
	3 months ended 30/9/2014	**3 months ended 30/9/2013**	**9 months ended 30/9/2014**	**9 months ended 30/9/2013**
(a) Basic and	0.8	(2.0)	(0.2)	(5.3)
(b) On a fully diluted basis	0.8	(2.0)	(0.2)	(5.3)

Note: Basic (loss)/earnings per share is computed based on weighted average number of shares in issue in 2014:860,272,000 ordinary shares (2013: 860,272,000).

For the third quarter ended 30 September 2014 and 2013, the basic and diluted earnings per share of the Group are the same as there were no potential diluting ordinary shares outstanding as at 30 September 2014 and 2013.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/9/2014	**31/12/2013**	**30/9/2014**	**31/12/2013**
Net asset value per ordinary share based on issued share capital at the end of the period/year (in RMB): (Number of ordinary shares in issue as at 30/9/2014: 860,272,000 (as at 31/12/2013: 860,272,000 shares)	0.85	0.85	0.96	0.94

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable)seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

	Group			Group		
	3 months Ended 30/9/2014 Unaudited	3 months Ended 30/9/2013 Unaudited	Increase/ (Decrease)	9 months Ended 30/9/2014 Unaudited	9 months Ended 30/9/2013 Unaudited	Increase/ (Decrease)
REVENUE	**RMB'000**	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Zipper Chain	84,157	98,910	(15)	232,424	256,019	(9)
Zipper Slider	25,045	24,259	3	69,012	60,446	14
Trading	36,846	29,474	25	90,806	96,969	(6)
Processing	24,297	18,595	31	53,876	54,015	-
Inter-segment sales	(5,353)	(5,910)	(9)	(13,858)	(13,543)	2
Total Group Revenue	164,992	165,328	-	432,260	453,906	(5)
COST OF SALES						
Zipper Chain	75,385	87,137	(13)	205,269	231,247	(11)
Zipper Slider	22,539	21,552	5	60,499	53,041	14
Trading	36,159	28,760	26	88,906	94,542	(6)
Processing	23,002	19,133	20	51,563	52,807	(2)
Inter-segment sales	(5,353)	(5,910)	(9)	(13,858)	(13,543)	2
Total Group Cost of Sales	151,732	150,672	1	392,379	418,094	(6)
GROSS PROFIT						
Zipper Chain	8,772	11,773	(26)	27,155	24,772	10
Zipper Slider	2,506	2,707	(7)	8,513	7,405	15
Trading	687	714	(4)	1,900	2,427	(22)
Processing	1,295	(538)	NM	2,313	1,208	91
Total Gross Profit	13,260	14,656	(10)	39,881	35,812	11
GROSS PROFIT MARGIN						
	%	**%**	**% pts**	**%**	**%**	**% pts**
Zipper Chain	10.4	11.9	(1.5)	11.7	9.7	2.0
Zipper Slider	10.0	11.2	(1.2)	12.3	12.3	-
Trading	1.9	2.4	(0.5)	2.1	2.5	(0.4)
Processing	5.3	(2.9)	8.2	4.3	2.2	2.1
Average Gross Profit Margin	8.0	8.9	(0.9)	9.2	7.9	1.3
Zipper Segment Gross Profit Margin	10.3	11.8	(1.5)	11.8	10.2	1.6

NM: Not Meaningful

Note:

(1) Both the Zipper Chain and the Zipper Slider are sub-segments of the Zipper segment, and all are considered as one segment. Hence, the amount in the table is net of inter-sub-segment sales.

9M2014 vs. 9M2013

Revenue
The Group's revenue decreased by RMB 21.6 million (or 5%) to RMB 432.3 million. The decrease was due mainly to the decrease in revenue of the Zipper Chain segment (RMB 23.6 million), the Trading segment (RMB 6.2 million) and the Processing segment (RMB 0.1 million). This was partially offset by the increase in revenue contributions from the Zipper Slider segment (RMB 8.6 million).

The inter-segment sales elimination represented the dyeing and electroplating services provided by the Processing segment to the Zipper segment.

The decrease in revenue from the Zipper Chain segment and the Processing segment in 9M2014 was attributable to a deteriorating market for the zipper industry in the PRC which was adversely affected by the general slowdown in the global economy. This had resulted in the Group reducing its selling prices to retain customers' orders. The average selling prices in the Zipper Chain segment had decreased by 12% per kg while the sales volume had increased by 3%.

The increase in revenue from the Zipper Slider segment in 9M2014 was attributable to an increase in sales order from new customers arising from the efforts of the Group's sales department following its re-organisation focusing on developing new customers' channels.

The Group's Trading segment relates to the sourcing and buying of certain raw materials in accordance to customers' requirements. The profit margin and all purchases are based on confirmed sales, i.e. the Group does not hold any inventories. As such, the volume of trading depends on the opportunities available so as the profitability and price movements which are dependent on customers' demand for raw materials. The decrease in revenue from the Trading segment was due to a decrease in sales orders from customers during 9M2014.

Gross Profit and Gross Profit Margin
The Group's gross profit increased by RMB 4.1 million (or 11%) to RMB 39.9 million. The increase was due mainly to the decrease in factory overheads arising from partial automation of the Group's production process.

Average gross profit margin increased by 1.3 percentage points to 9.2% in 9M2014 due mainly to the cost savings achieved in the Zipper segment arising from the partial automation as mentioned above.

Other income and other expenses
Other income mainly comprises government subsidies, write-back of specific provision for bad debts in FY2013 as a result of successful collections from customers and foreign exchange gains. The net income represented the increase in foreign exchange gain as a result of the depreciation of RMB against USD and SGD arising from the balance in the Company's bank account.

Selling and distribution expenses
Selling and distribution expenses decreased by RMB 0.8 million (or 13%) to RMB 5.1 million. The decrease was due mainly to a reduction in headcount following the re-organisation of the Group's sales department.

General and administrative expenses
General and administrative expenses decreased by RMB 38.9 million (or 50%) to RMB 38.8 million. This was mainly due to the RMB13.5 million decrease in amortization of intangible assets expense on lower intangible assets in 9M2014 and absence of impairment of intangible assets and inventory written down expenses in 9M2014.

The increase in allowance for doubtful debts of RMB 4.7 million was due mainly to requests for a longer credit period from some customers. These customers are not the Group's major

customers

Finance income and expenses
Finance expenses increased by RMB 0.1 million (or 2%) to RMB 5.5 million. This was attributable to the increase in short-term loans, and bill transactions with banks. Finance income increased by RMB 0.1 million (or 7%) to RMB 1.5 million was due mainly to the increase in cash and bank balance.

Tax expense

	Group		
	9 months Ended 30/9/2014 Uaudited	**9 months Ended 30/9/2013 Uaudited**	**Increase/ (Decrease)**
	RMB'000	**RMB'000**	**%**
Current tax[1]	2,525	2,373	6
Deferred tax[2]	3,061	656	367
Tax expense	5,586	3,029	84

Notes:

[1] Current tax increased by RMB 0.2 million or 6% due to a increase in taxable profit before taxation in 9M2014

[2] On 22 February 2008, the State Administration of Taxation of China issued a circular Caishui 2008 No.001, which states that distribution of dividends from profits accumulated from 1 January 2008, shall be subject to withholding tax on distribution to foreign investors. Accordingly, the Group has provided for deferred tax liabilities on the Group's profit-making PRC subsidiaries' net profit attained from 1 January 2008 onwards. As Jade Star (the PRC's subsidiaries' immediate holding Company) is incorporated in the British Virgin Islands, the applicable withholding tax rate is 10%.

3Q2014 vs. 3Q2013 (3 months)

Revenue
The Group's revenue decreased by RMB 0.3 million (or 0.2%) to RMB 165.0 million. The decrease was due mainly to the decrease in revenue of the Zipper Chain segment (RMB 14.8 million). This was partially offset by the increase in revenue contributions from the Zipper Slider segment (RMB 0.8 million), the Trading segment (RMB 7.4 million) and the Processing segment (RMB 5.7 million).

The inter-segment sales elimination represented the dyeing and electroplating services provided by the Processing segment to the Zipper segment.

The decrease in revenue from the Zipper Chain segment in 3Q2014 was attributable to a deteriorating market for the zipper industry in the PRC which was adversely affected by the general slowdown in the global economy. This had resulted in the Group reducing its selling prices to retain customers' orders.

The increase in revenue from the Zipper Slider segment in 3Q2014 was attributable to an increase in sales order from new customers arising from the efforts of the Group's sales department following its re-organisation.

The increase in revenue from the Trading segment and the Processing segment was due to an increase in sales orders from customers during 3Q2014, as a result of lower selling prices.

Gross Profit and Gross Profit Margin
The Group's gross profit decreased by RMB 1.4 million (or 10%) to RMB 13.3 million. The decrease in gross profit was due mainly to the decrease in revenue and slight increase in overheads.

Average gross profit margin decreased by 0.9% percentage points to 8.0% due to a decrease in gross profit margin from the Zipper segment in 3Q2014 arising from the higher production costs as a result of increase in staff wages.

Other income and other expenses
Other income mainly comprises government subsidies, write-back of specific provision for bad debts in FY2013 as a result of successful collections from customers and foreign exchange gains. The net income represented the increase in foreign exchange gain as a result of the depreciation of RMB against USD and SGD arising from the balance in the Company's bank account.

Selling and distribution expenses
Selling and distribution expenses increased by RMB 0.2 million (or 9%) to RMB 2.0 million. The increase was due mainly to an increase in advertising and promotional activities.

General and administrative expenses
General and administrative expenses decreased by RMB 28.7 million (or 73%) to RMB 10.7 million. This was mainly due to the RMB4.5 million decrease in amortization of intangible assets expense on lower intangible assets in 3Q2014 and absence of impairment of intangible assets expense in 3Q2014.

The increase in allowance for doubtful debts of RMB 4.7 million was due mainly to requests for a longer credit period from some customers. These customers are not the Group's major customers

Finance income and expenses

Finance income increased by RMB 0.1 million to RMB 0.4 million due mainly to an increase in cash and bank balances.

Finance expense remained relatively flat at RMB1.9 million for 3Q2014 and 3Q2013.

Tax expense

	Group		
	3 months Ended 30/9/2014 Unaudited	**3 months Ended 30/9/2013 Unaudited**	**Increase/ (Decrease)**
	RMB'000	**RMB'000**	**%**
Current tax[1]	734	1,279	(43)
Deferred tax[2]	204	360	(43)
Tax expense	938	1,639	(43)

Notes:
[1] Current tax increased by RMB 0.7 million or 43% due to a increase in taxable profit before taxation in 3Q2014.

[2] On 22 February 2008, the State Administration of Taxation of China issued a circular Caishui 2008 No.001, which states that distribution of dividends from profits accumulated from 1 January 2008, shall be subject to withholding tax on distribution to foreign investors. Accordingly, the Group has provided for deferred tax liabilities on the Group's profit-making PRC subsidiaries' net profit attained from 1 January 2008 onwards. As Jade Star (the PRC's subsidiaries' immediate holding Company) is incorporated in the British Virgin Islands, the applicable withholding tax rate is 10%.

FINANCIAL POSITIION

Non-current assets

As at 30 September 2014, non-current assets amounted to RMB 595.7 million comprising property, plant and equipment, investment property, land use rights, intangible assets and prepayments.

The Group's property, plant and equipment amounted to RMB 300.4 million, a decrease of 8% (or RMB 24.5 million) compared to RMB 324.9 million as at 31 December 2013. The decrease was due mainly to depreciation expenses.

The increase in investment property was due to the construction of the Company's Xiamen Headquarter project during 9M2014.

The decrease in intangible assets was due mainly to the amortization expenses.

The prepayment balance as at 30 September 2014 represented the deposits paid for purchases of machinery.

Current assets

As at 30 September 2014, current assets amounted to RMB 695.5 million, an increase of 3% (or RMB 17.8 million) compared to RMB 677.7 million as at 31 December 2013. This was due largely to an increase in inventories, prepayments, cash and bank balances which were offset by the decrease in bank deposits, trade and other receivables.

Inventories increased by RMB 18.8 million (or 29%) to RMB 83.7 million was due to the accumulation of inventory as a result of the decline in sales in 3Q2014 while production still continued on an optimal scale to cover its manufacturing overheads. Moreover, the Group held a 3-month raw materials requirement for the purpose of production efficiency compared to 2-month raw materials requirement as at 31 December 2013.

Trade and other receivables decreased by RMB 12.0 million (or 6%) to RMB 203.5 million was in line with the decrease in revenue from the Zipper segment.

The increase in prepayments to suppliers by RMB 10.8 million (or 14%) to RMB 88.6 million was due mainly to an increase in demand for raw materials as a result of an increase in production capacity. For advances to suppliers, the Group will secure signed supply agreements with its various suppliers. The advance payments in the supply agreements are calculated based on a certain percentage of the total contract price.

Bank deposits declined by RMB 25.3 million (or 38%) to RMB 41.2 million due mainly to the decrease in security for bills payables as a result of decrease in bills transactions with banks in 3Q2014.

Current liabilities

As at 30 September 2014, total current liabilities were RMB 508.4 million, an increase of 3% (or RMB 16.1 million) compared to RMB 492.3 million as at 31 December 2013. This was mainly attributable to the increase trade payables, short term bank loans, bank overdraft which were offset by the decrease in bills payable to banks, income tax payable, amount due to a Director, other payables and accruals.

Trade payables increased by RMB 5.6 million (or 65%) to RMB 14.3 million due mainly to an increase in demand for raw materials as a result of an increase in production capacity.

Bills payables decreased by RMB 32.1 million (or 21%) to RMB 117.7 million due to the

Group's settlement of some bills payables during 9M2014.

Other payables and accruals decreased by RMB 33.8 million (or 19%) to RMB 146.0 million due to the decrease in advances received from customers.

The short-term bank loans increased by RMB 69.1 million (or 48%) to RMB 211.8 million was due mainly to a new bank loan of RMB60 million secured for the financing of the Group's Xiamen Headquarters project.

Bank overdrafts represented the drawdown of the banking facilities from Hang Seng Bank.

The amount due to a Director was due to funds contributed by Mr Hong Qing Liang for the Group's Xiamen Headquarters construction project. The construction costs were paid by Mr Hong from his personal bank account in Hong Kong first and reimbursed by the Company. This arrangement was undertaken as the local government of Xiamen Island will impose an interest tax on all monies transferred from other locations within the PRC. Remittances from Hong Kong and foreign countries are exempted from such tax.

Non-current liabilities

Non-current liabilities comprise deferred tax liabilities. The increase in deferred tax liabilities was due mainly to the increase in withholding tax as explained above under the note for tax expense.

CASH FLOW

Operating activities
Net cash flows used in operating activities in 9M2014 amounted to RMB 49.8 million while net cash flows generated from operating activities in 9M2013 amounted to RMB 10.5 million. This was due mainly to the increase in inventories, prepayments, and decrease in other payables and accruals.

Net cash flows generated from operating activities in 3Q2014 amounted to RMB 31.1 million while net cash flows used in operating activities in 3Q2013 amounted to RMB 12.2 million. This was due mainly to the decrease in trade and other receivables in 3Q2014 compared to the increase in trade and other receivables in 3Q2013.

Investing activities
Net cash flows used in investing activities in 9M2014 amounted to RMB 27.7 million compared to RMB 42.1 million in 9M2013 was mainly due to the decrease in purchase of property, plant and equipment in 9M2014.

Net cash flows used in investing activities in 3Q2014 amounted to RMB 13.4 million compared to RMB 8.4 million in 3Q2013 was mainly due to the increase in construction cost of investment properties in 3Q2014.

Financing activities
Net cash flows generated from financing activities in 9M2014 amounted to RMB 94.2 million compared to RMB 68.6 million in 9M2013. This was due mainly to the proceeds from short-term bank loans of RMB 60.0 million for the Xiamen Headquarters project in 1Q2014 and also the decrease in bank deposits.

Net cash flows generated from financing activities in 3Q2014 amounted to RMB 14.4 million compared to RMB 5.7 million in 3Q2013. This was due mainly to the short-term bank loan and banking facilities obtained from China CITIC Bank and Hang Seng Bank in 3Q2014.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The performance for 3Q2014 and 9M2014 is in line with the commentary made in item 10 of the Company's results announcement dated 14 August 2014.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

For the nine months ended 30 September 2014 ("9M2014"), the Group continued to operate under a highly competitive and challenging environment as the zipper industry in the PRC faces intense competition with thin profit margins. Apart from the challenging and competitive business environment, the Group also faces weak demand for zippers as most of its customers still hold a high level of inventories in their warehouses. As such, the Group had to lower its selling prices to retain customers and attempt to increase sales orders.

The average utilization rates of the Group's production facilities in 9M2014 for zipper chains and zipper sliders were approximately 74% and 62% respectively.

For the three months ended 30 September 2014 and 9M2014, the Group managed to record a profit before tax despite the challenging market conditions. This was as a result of the partial automation of the Group's production processes which has been cost effective and resulted in lower production overheads.

Notwithstanding the above, the Group expects the zipper industry to remain highly challenging and competitive and does not expect the business environment to improve considerably for the rest of the year. The Group expects the continuation of the slowing economic growth in the PRC, uncertainties for export sales, as well as cost pressures arising from rising production and labour costs. These factors will affect the Group's operating outlook for the next twelve months.

The Group will continue to strive to enhance its operational efficiency of its plants through automation of its production processes, so as to mitigate the impact of weak demand to the Group's gross profit margins. The Group will also continue to exercise tight control on the administrative expenses and strive to lower its production unit cost.

Update on Construction progress of the Company's Xiamen Headquarter

The construction work for the Company's Xiamen Headquarters basement (comprising 4 levels) has commenced in 1Q2014 and as of to-date, the Company's Xiamen Headquarters is approximately 15% completed.

11. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

12. If no dividend has been declared/recommended, a statement to that effect.

Not Applicable.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company is not required to have a general mandate from shareholders for IPTs.

BY ORDER OF THE BOARD

Hong Qing Liang
Executive Chairman & CEO

10 November 2014

FUXING CHINA GROUP LIMITED
(Incorporated in Bermuda)

Confirmation By Directors Pursuant to Clause 705(5) of the Listing Manual of SGX-ST.

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Fuxing China Group Limited which may render these interim financial statements for the nine months ended 30 September 2014 to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
Fuxing China Group Limited

.....
Hong Qing Liang
Director

.....
Hong Peng You
Director

Date: 10 November 2014