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

FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 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.
Group Statement of Comprehensive Income for the year ended 31/12/2014. These figures have not been audited.

	Group			Group		
	3 months Ended 31/12/2014 Unaudited	3 months Ended 31/12/2013 Audited	Increase/ (Decrease)	Year Ended 31/12/2014 Unaudited	Year Ended 31/12/2013 Audited	Increase/ (Decrease)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	216,828	163,301	33	649,088	617,207	5
Cost of sales	(205,985)	(149,028)	38	(598,364)	(567,122)	6
Gross profit	10,843	14,273	(24)	50,724	50,085	1
Other income and expenses	21,082	(16,220)	NM	33,435	(6,850)	NM
Selling and distribution expenses	(1,768)	(2,233)	(21)	(6,921)	(8,167)	(15)
General and administrative expenses	(7,693)	(170,182)	(95)	(46,455)	(247,822)	(81)
Profit/(Loss) from operating activities	22,464	(174,362)	NM	30,783	(212,754)	NM
Finance income	553	618	(11)	2,073	2,041	2
Finance expense	(6,380)	(2,455)	160	(11,935)	(7,895)	51
Profit/(Loss) before tax	16,637	(176,199)	NM	20,921	(218,608)	NM
Income tax expense	(5,196)	(2,476)	110	(10,782)	(5,505)	96
Profit/(Loss) for the period attributable to the equity holders of the Company	11,441	(178,675)	NM	10,139	(224,113)	NM
Other comprehensive income/(loss) for the period						
Item that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations	481	141	241	(1,064)	3,437	NM
Total comprehensive income/(loss) for the period attributable to shareholders	11,922	(178,534)	NM	9,075	(220,676)	NM

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

Net of allowance for / (writeback of) doubtful trade receivables	(4,866)	6,627	NM	5,751	12,501	(54)
Allowance for inventory written down	-	-	NM	-	3,000	NM
Amortisation of land use rights	263	242	9	969	1,100	(12)
Amortisation of intangible assets	(10)	4,573	NM	117	18,260	(99)
Provision for social security contribution	1,464	2,504	(42)	1,464	2,504	(42)
Provision for minimum tax contribution	-	30,000	NM	-	30,000	NM
Impairment of intangible assets	-	155,563	NM	-	174,970	NM
Loss on disposal of property, plant and equipment	-	851	(100)	67	851	(92)
Gain on disposal of subsidiary	-	-	NM	-	(11,860)	NM
Gain on disposal of investment properties	-	(3,922)	NM	-	(3,922)	NM
Gain from fair valuation of investment property	(15,787)	(9,380)	68	(15,787)	(9,380)	68
Depreciation of property, plant and equipment	9,474	8,653	9	37,853	41,458	(9)
Foreign exchange loss/(gain), net	385	1,206	(68)	(846)	6,695	NM
Salaries and bonuses	18,825	19,009	(1)	71,395	69,348	3

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	
	31/12/2014 Unaudited	**31/12/2013 Audited**	**31/12/2014 Unaudited**	**31/12/2013 Audited**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
ASSETS				
Non-current assets				
Property, plant and equipment	323,935	324,850	-	-
Investment property	297,860	234,890	-	-
Land use rights	33,930	34,899	-	-
Intangible assets	14	131	-	-
Prepayments	53	2,529	-	-
Investment in subsidiaries	-	-	344,853	344,853
	655,792	597,299	344,853	344,853
Current assets				
Inventories	67,814	64,888	-	-
Trade and other receivables	269,618	215,493	2	2
Prepayments to suppliers	90,997	77,843	-	-
Amount due from subsidiaries (non-trade)	-	-	483,419	465,933
Fixed deposits	58,318	66,482	-	-
Cash and bank balances	285,658	253,016	295	613
	772,405	677,722	483,716	466,548
Total assets	1,428,197	1,275,021	828,569	811,401
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	5,830	8,643	-	-
Bills payable to banks	133,827	149,743	-	-
Other payables & accruals	204,189	179,785	1,894	1,279
Amount due to a director (non-trade)	27,173	5,704	5,398	3,980
Amount due to related companies (non-trade)	-	-	-	100
Short-term bank loans	237,189	142,724	-	-
Bank overdrafts	17,102	-	-	-
Income tax payable	4,012	5,704	-	-
Total current liabilities	629,322	492,303	7,292	5,359
Non-current liability				
Deferred tax liabilities	59,758	52,676	-	-
	59,758	52,676	-	-
Total liabilities	689,080	544,979	7,292	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	64,359	63,502	-	-
Restructuring reserve	(117,878)	(117,878)	-	-
Contributed surplus	39,573	39,573	39,573	39,573
Translation reserve	2,324	3,388	-	-
Accumulated profits/(losses)	(15,427)	(24,709)	15,538	303
Total equity	739,117	730,042	821,277	806,042
Total equity and liabilities	1,428,197	1,275,021	828,569	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 31 December 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]	75,700	-	80,000	-
- China Construction Bank[2]	32,000	-	40,000	-
- Industrial and Commercial Bank of China – Longhu Jinjiang Branch [3]	-	-	14,810	-
- Hang Seng Bank[4]	26,126	-	14,933	-
Short-term bank loans				
- China CITIC Bank[1]	70,000	-	50,000	-
- Industrial and Commercial Bank of China – Longhu Jinjiang Branch [3]	9,000	-	8,000	-
- Hang Seng Bank[4]	29,189	-	15,724	-
- China Construction Bank Dongqu Branch[5]	110,000	-	50,000	-
- Fujian Jinjiang Agricultural Bank – Longhu Branch [6]	19,000	-	19,000	-
Bank overdrafts				
- Hang Seng Bank[4]	17,102	-	-	-

Notes:

[1] The bills payable of RMB 75.7 million and short-term bank loan of RMB70.0 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 32 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 short-term bank loan of RMB 9.0 million was 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 26.1 million, short-term loan of RMB 29.2 million and bank overdraft of RMB 17.1 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 31/12/2014 Unaudited RMB'000	3 months Ended 31/12/2013 Unaudited RMB'000	Year Ended 31/12/2014 Unaudited RMB'000	Year Ended 31/12/2013 Audited RMB'000
OPERATING ACTIVITIES				
Profit/(Loss) before tax	**16,637**	**(176,199)**	**20,921**	**(218,608)**
Adjustments for:				
Depreciation of property, plant and equipment	9,474	8,653	37,853	41,458
Amortisation of land use rights	263	242	969	1,100
Amortisation of intangible assets	(10)	4,573	117	18,260
Impairment of intangible assets	-	155,563	-	174,970
Loss on disposal of property, plant and equipment	-	851	67	851
Gain from fair valuation on investment property	(15,787)	(9,380)	(15,787)	(9,380)
(Writeback on allowance for)/Allowance for doubtful trade receivables	(4,866)	6,627	5,751	12,501
Inventory written down	-	-	-	3,000
Gain on disposal of subsidiary	-	-	-	(11,860)
Gain on disposal of investment properties	-	(3,922)	-	(3,922)
Provision for social security contribution	1,464	2,504	1,464	2,504
Provision for minimum tax contribution expense	-	30,000	-	30,000
Interest expense	6,381	2,455	11,935	7,895
Interest income	(553)	(618)	(2,073)	(2,041)
Unrealised foreign currency differences	408	763	(1,011)	2,943
Total adjustments	(3,226)	198,311	39,285	268,279
Operating cash flows before changes in working capital	**13,411**	**22,112**	**60,206**	**49,671**
(Increase)/ Decrease in:				
Inventories	15,848	14,184	(2,926)	(17,052)
Trade receivables	(57,617)	803	(56,102)	(53,132)
Bills and other receivable	(2,387)	(2,536)	(3,773)	4,781
Prepayment	(3.618)	(19,861)	(13,154)	(36,985)
Increase /(Decrease) in:				
Trade payables	(8,448)	(1,697)	(2,813)	15,644
Other payables & accruals	56,714	13,324	22,940	6,892
Bills payable	16,160	(14,220)	(15,916)	39,369
Due to directors	22,199	(16,654)	21,469	2,584
Total changes in working capital	38,851	(26,657)	(50,275)	(37,899)
Cash flows generated from / (used in) operations	**52,262**	**(4,545)**	**9,931**	**11,772**
Interest expense paid	(6,381)	(2,455)	(11,935)	(7,895)
Interest income received	553	618	2,073	2,041
Income tax paid	(1,938)	(1,833)	(5,392)	(3,601)
Net cash generated from / (used in) operating activities	**44,496**	**(8,215)**	**(5,323)**	**2,317**
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(30,184)	(5,888)	(34,529)	(24,619)
Construction of investment properties	(23,801)	(7,440)	(47,183)	(29,930)
Purchase of intangible assets	-	(124)	-	(124)
Proceeds from disposal of investment properties	-	82,116	-	82,116
Disposal of subsidiaries, net of cash disposed	-	-	-	(866)
Net cash (used in) / generated from investing activities	**(53,985)**	**68,664**	**(81,712)**	**26,577**
FINANCING ACTIVITIES				
Proceeds from short-term borrowings	33,449	15,100	171,411	152,958
Repayments of short-term borrowings	(8,000)	(44,378)	(77,000)	(109,656)
Increase / (Decrease) in fixed deposits pledged to banks	(17,108)	6,418	8,164	2,392
Net cash generated from / (used in) financing activities	**8,341**	**(22,860)**	**102,575**	**45,694**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(1,148)	37,589	15,540	74,588
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD / YEAR	269,704	215,427	253,016	178,428
CASH & CASH EQUIVALENTS AT END OF PERIOD/YEAR (Note A)	268,556	253,016	268,556	253,016

Note A:

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

		31/12/2014 Unaudited RMB'000	31/12/2013 Audited RMB'000
Fixed deposits		58,318	66,482
Cash and bank balances		285,658	253,016
		343,976	319,498
Less:	Bank overdraft	(17,102)	-
	Fixed deposits (pledged)	(58,318)	(66,482)
Cash and cash equivalents		268,556	253,016

Fixed deposits amounting to RMB 58,318,000 (2013: 66,482,000) are pledged to banks for the Group's bills payable to banks and bank overdrafts respectively.

Gain on disposal of subsidiary

	3 months Ended 31/12/2014 Unaudited RMB'000	3 months Ended 31/12/2013 Unaudited RMB'000	Year Ended 31/12/2014 Unaudited RMB'000	Year Ended 31/12/2013 Audited RMB'000
Consideration received	-	-	-	2,416
Non-current assets	-	-	-	27,145
Current assets	-	-	-	15,397
Non-current liability	-	-	-	(3,653)
Current liabilities	-	-	-	(48,333)
Net liabilities disposed off	-	-	-	(9,444)
Gain on disposal of subsidiary	-	-	-	11,860

Net cash outflow arising on disposal

	3 months Ended 31/12/2014 Unaudited RMB'000	3 months Ended 31/12/2013 Unaudited RMB'000	Year Ended 31/12/2014 Unaudited RMB'000	Year Ended 31/12/2013 Audited RMB'000
Cash consideration received	-	-	-	2,416
Cash and cash equivalents disposed off	-	-	-	(3,282)
Disposal of subsidiary, net of cash disposed	-	-	-	(866)

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.

	Share capital	Treasury shares	Reserve fund	Contributed surplus	Restructuring reserve[1]	Translation reserve	Accumulated profits / (losses)	Total equity
Group	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**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 year	-	-	-	-	-	3,437	(224,113)	(220,676)
Transferred to reserve fund	-	-	958	-	-	-	(958)	-
Closing balance at 31 December 2013	772,574	(6,408)	63,502	39,573	(117,878)	3,388	(24,709)	730,042
At 1 January 2014	772,574	(6,408)	63,502	39,573	(117,878)	3,388	(24,709)	730,042
Total comprehensive income for the year	-	-	-	-	-	(1,064)	10,139	9,075
Transferred to reserve fund	-	-	857	-	-	-	(857)	-
Closing balance at 31 December 2014	772,574	(6,408)	64,359	39,573	(117,878)	2,324	(15,427)	739,117
Company								
At 1 January 2013	772,574	(6,408)	-	39,573	-	-	10,663	816,402
Total comprehensive loss for the year	-	-	-	-	-	-	(10,360)	(10,360)
Closing balance at 31 December 2013	772,574	(6,408)	-	39,573	-	-	303	806,042
At 1 January 2014	772,574	(6,408)	-	39,573	-	-	303	806,042
Total comprehensive income for the year	-	-	-	-	-	-	15,235	15,235
Closing balance at 31 December 2014	772,574	(6,408)	-	39,573	-	-	15,538	821,277

Group	Share capital	Treasury shares	Reserve fund	Contributed surplus	Restructuring reserve[1]	Translation reserve	Accumulated profits / (losses)	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 October 2013	772,574	(6,408)	62,544	39,573	(117,878)	3,247	154,924	908,576
Total comprehensive loss for the period	-	-	-	-	-	141	(178,675)	(178,534)
Transferred to reserve fund	-		958	-	-	-	(958)	-
Closing balance at 31 December 2013	772,574	(6,408)	63,502	39,573	(117,878)	3,388	(24,709)	730,042
At 1 October 2014	772,574	(6,408)	63,502	39,573	(117,878)	1,843	(26,011)	727,195
Total comprehensive income for the period	-	-	-	-	-	481	11,441	11,922
Transferred to reserve fund	-		857	-	-	-	(857)	-
Closing balance at 31 December 2014	772,574	(6,408)	64,359	39,573	(117,878)	2,324	(15,427)	739,117
Company								
At 1 October 2013	772,574	(6,408)	-	39,573	-	-	1,662	807,401
Total comprehensive loss for the period	-	-	-	-	-	-	(1,359)	(1,359)
Closing balance at 31 December 2013	772,574	(6,408)	-	39,573	-	-	303	806,042
At 1 October 2014	772,574	(6,408)	-	39,573	-	-	17,555	823,294
Total comprehensive income for the period	-	-	-	-	-	-	(2,017)	(2,017)
Closing balance at 31 December 2014	772,574	(6,408)	-	39,573	-	-	15,538	821,277

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 year ended 31 December 2014, there was no shares acquired.

Convertibles
For the year ended 31 December 2014, there was 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.

	31 December 2014	**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 31 December 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 year	-
Total number of shares as at 31 December 2014	13,886,000

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 December 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 by the auditors.

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 year ended 31 December 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 and revised FRS and INT FRS does not have any material financial impact on the Group's and Company's financial statements for the current year.

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 31/12/2014	**3 months ended 31/12/2013**	**Year ended 31/12/2014**	**Year ended 31/12/2013**
(a) Basic and	1.3	(20.8)	1.2	(26.0)
(b) On a fully diluted basis	1.3	(20.8)	1.2	(26.0)

Note: Basic earnings/ (loss) 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 financial year ended 31 December 2014 and 2013, the basic and diluted earnings/(loss) per share of the Group are the same as there were no potential diluting ordinary shares outstanding as at 31 December 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	
	31/12/2014	**31/12/2013**	**31/12/2014**	**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 31/12/2014: 860,272,000 (as at 31/12/2013: 860,272,000)	0.86	0.85	0.95	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 31/12/2014 Unaudited	**3 months Ended 31/12/2013 Unaudited**	**Increase/ (Decrease)**	**Year Ended 31/12/2014 Unaudited**	**Year Ended 31/12/2013 Audited**	**Increase/ (Decrease)**
REVENUE	**RMB'000**	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Zipper Chain[(1)]	86,767	88,272	(2)	319,191	344,291	(7)
Zipper Slider[(1)]	23,831	25,290	(6)	92,843	85,736	8
Trading	92,939	32,876	183	183,745	129,845	42
Processing	22,762	21,969	4	76,638	75,984	1
Inter-segment sales	(9,471)	(5,106)	85	(23,329)	(18,649)	25
Total Group Revenue	216,828	163,301	33	649,088	617,207	5
COST OF SALES						
Zipper Chain[(1)]	79,987	79,027	1	285,256	310,274	(8)
Zipper Slider[(1)]	22,688	21,818	4	83,187	74,859	11
Trading	90,917	31,865	185	179,823	126,407	42
Processing	21,864	21,424	2	73,427	74,231	(1)
Inter-segment sales	(9,471)	(5,106)	85	(23,329)	(18,649)	25
Total Group Cost of Sales	205,985	149,028	38	598,364	567,122	6
GROSS PROFIT						
Zipper Chain[(1)]	6,780	9,245	(27)	33,935	34,017	0
Zipper Slider[(1)]	1,143	3,472	(67)	9,656	10,877	(11)
Trading	2,022	1,011	100	3,922	3,438	14
Processing	898	545	65	3,211	1,753	83
Total Gross Profit	10,843	14,273	(24)	50,724	50,085	1
GROSS PROFIT MARGIN						
	%	**%**	**% pts**	**%**	**%**	**% pts**
Zipper Chain	7.8	10.5	(2.7)	10.6	9.9	0.7
Zipper Slider	4.8	13.7	(8.9)	10.4	12.7	(2.3)
Trading	2.2	3.1	(0.9)	2.1	2.6	(0.5)
Processing	3.9	2.5	1.5	4.2	2.3	1.9
Average Gross Profit Margin	5.0	8.7	(3.7)	7.8	8.1	(0.3)
Zipper Segment Gross Profit Margin	7.2	11.2	(4.0)	10.6	10.4	0.2

NM: Not Meaningful

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

FY2014 vs. FY2013

Revenue

The Group's revenue increased by RMB 31.9 million (or 5%) to RMB 649.1 million. This was mainly due to the increase in the sales of the Zipper Slider segment (RMB 7.1 million), the Trading segment (RMB 53.9 million) and the Processing segment (RMB 0.7 million). The increase was partially offset by the decrease in revenue contributions from the Zipper Chain segment (RMB 25.1 million).

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

The increase in revenue from the Zipper slider segment and the Processing segment in FY2014 was attributable to an increase in sales orders from new customers arising from the efforts of the Group's sales department focusing on developing new customers' channels.

The decrease in revenue from the Zipper Chain segment 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 11% per kg while the sales volume had increased by 4%.

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 were based on confirmed sales. 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 increase in revenue from the Trading segment was due to an increase in sales orders from customers during FY2014.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by RMB 0.6 million (or 1%) to RMB 50.7 million. The increase was due mainly to the increases in profit margin from the Processing segment and also increase in sales from the Trading segment.

Average gross profit margin decreased by 0.3 percentage points to 7.8% due to the decrease in gross profit margin from the Zipper Slider segment in FY2014. This was attributable to the increase in cost of raw materials in the Zipper Slider segment.

Other income and other expenses

Other income mainly comprises gain on fair valuation from investment properties, 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 gain on fair valuation from investment properties (RMB15.8 million), the increase in foreign exchange gain as a result of the depreciation of RMB against USD and SGD arising from the balances in the Company's bank account.

Selling and distribution expenses

Selling and distribution expenses decreased by RMB 1.2 million (or 15%) to RMB 6.9 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 201.4 million (or 81%) to RMB 46.5 million. This was mainly due to the RMB18.1 million decrease in amortization of intangible assets expense on lower intangible assets in FY2014 and the RMB6.8 million decrease in allowance for doubtful trade receivables. There was also an absence of impairment of intangible assets of RMB175.0 million and inventory written down expenses of RMB3.0 million in FY2014.

The decrease in allowance for doubtful debts of RMB 6.8 million was as a result of strengthening the control of customers' credit period and limit.

Provision for social security contribution represented the under-provision of social security contribution in FY2014 and FY2013. The Group had made a more detailed computation of the provision required for social security contribution for FY2014 and FY2013 to ensure full compliance with the prevailing PRC rules and regulations.

Finance income and expenses

Finance expenses increased by RMB 4.0 million (or 51%) to RMB 11.9 million. This was attributable to the increase in short-term loans and bills transactions with banks. Finance income increased by RMB 0.1 million (or 2%) to RMB 2.1 million due mainly to the increase in cash and bank balance.

Tax expense

	Group		
	Year Ended 31/12/2014 Unaudited	**Year Ended 31/12/2013 Unaudited**	**Increase/ (Decrease)**
	RMB'000	**RMB'000**	**%**
Current tax[1]	3,700	4,547	(18)
Deferred tax[2]	802	958	(16)
Deferred tax[3]	6,280	-	NM
Tax expense	10,782	5,505	96

NM: Not Meaningful

Notes:

[1] Current tax decreased by RMB 0.8 million or 18% due to a decrease in taxable profit before taxation in FY2014.

[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%.

[3] Deferred tax arising from temporary differences in fair value of investment property and depreciation of property, plant and equipment.

4Q2014 vs. 4Q2013 (3 months)

Revenue

The Group's revenue increased by RMB 53.5 million (or 33%) to RMB 216.8 million. The increase was due mainly to the increase in sales of the Trading segment (RMB 60.1 million), and the Processing segment (RMB 0.8 million). This was partially offset by the decrease in revenue

contributions from Zipper Slider segment (RMB 1.5 million), and the Zipper Chain segment (RMB 1.5 million) (collectively referred as the "Zippers segment").

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

The decrease in revenue from the Zippers segment 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 Trading segment was due to the increase in sales orders during 4Q2014, as a result of lower selling prices.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by RMB 3.4 million (or 24%) to RMB 10.8 million. The decrease in gross profit was due mainly to the decrease revenue and slight increase in overheads.

Average gross profit margin decreased by 3.7 percentage points to 5.0% due to the decrease in gross profit margin from the Zippers segment in 4Q2014 arising from the higher production costs as a result of increase in staff wages.

Other income and other expenses

Other income comprises mainly gain on fair valuation from investment properties, government subsidies, write-back of specific provision for bad debts (provided in 4Q2013) as a result of successful collections from customers and foreign exchange gains. The net income represented the increase in gain on fair valuation from investment properties (RMB15.8 million), 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 0.5 million (or 21%) to RMB 1.8 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 162.5 million (or 95%) to RMB 7.7 million. This was mainly due to the absence of impairment of intangible assets RMB155.6 million.

The write back on allowance for doubtful debts of RMB 4.9 million was the result of strengthening the control of customers' credit period and limit.

Provision for social security contribution represented the under-provision of social security contribution in FY2014 and FY2013. The Group had made a more detailed computation of the provision required for social security contribution for FY2014 and FY2013 to ensure full compliance with the prevailing PRC rules and regulations.

Finance income and expenses

Finance expenses increased by RMB 3.9 million (or 160%) to RMB 6.4 million. This was attributable to the increase in bills payable and short-term loans compared to the previous corresponding period. Finance income decreased slightly by RMB 0.1 million to RMB 0.5 million as the cash and bank balance had remained about the same level in 4Q2014.

Tax expense

	Group		
	3 months Ended 31/12/2014 Unaudited	**3 months Ended 31/12/2013 Unaudited**	**Increase/ (Decrease)**
	RMB'000	**RMB'000**	**%**
Current tax[1]	1,175	2,174	(46)
Deferred tax[2]	74	302	(75)
Deferred tax[3]	3,947	-	NM
Tax expense	5,196	2,476	110

NM: Not Meaningful

Notes:

[1] Current tax decreased by RMB 1.0 million or 46% due to a decrease in taxable profit before taxation in 4Q2014.

[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%.

[3] Deferred tax arising from temporary differences in fair value of investment property and depreciation of property, plant and equipment.

FINANCIAL POSITION

Non-current assets

As at 31 December 2014, non-current assets amounted to RMB 655.8 million comprising property, plant and equipment, investment property, land use rights, prepayment and intangible assets.

The Group's property, plant and equipment amounted to RMB 323.9 million, a decrease of RMB 0.9 million compared to RMB 324.9 million as at 31 December 2013. The decrease was due mainly to depreciation expenses but partially off set by purchase of new properties, plant and equipment during the year for automation of its production process.

As at 31 December 2014, the investment properties represented the recognition of the construction cost of the Group's Xiamen Headquarters project ("HQ Project") under FRS40 - "Investment property is property held to earn rentals or for capital appreciation or both." According to the Group's construction plan, the HQ Project will have 25 floors, and most of the office units will be leased out to earn rental income. Therefore, this property including the land use right was classified as investment properties under FRS40.

The decrease in land use rights and intangible assets was due mainly to the amortization expenses.

The prepayment balance in FY2014 represented the deposits paid for purchases of machinery.

Current assets

As at 31 December 2014, current assets amounted to RMB 772.4 million, an increase of 14% (RMB 94.7 million) compared to RMB 677.7 million as at 31 December 2013. This was due largely to the increase in inventories, trade and other receivables, prepayments, cash and bank balances.

Inventories increased by RMB 2.9 million due to a build-up of inventory to meet the minimum production requirement in the 1Q2015 for economies of scale purpose.

Trade and other receivables increased by RMB 54.1 million from RMB 215.5 million to RMB 269.6 million due to an extension of credit period granted to some long time customers so as to retain their orders.

The increase in prepayments to suppliers was due mainly to the increase in advances made to certain suppliers. The Group made advance payments to these suppliers to secure ready supply of raw materials at competitive prices. It is a usual practice of the Group to make advance payments to suppliers to enable the Group to secure the price and supply of raw materials for the whole year. This would enable the Group to enjoy cost savings in the event of raw material price fluctuations.

Cash and bank balances increased from RMB 253.0 million to RMB 285.7 million due mainly to the increase in short-term bank loans.

Current liabilities

As at 31 December 2014, total current liabilities were RMB 629.3 million, an increase of 28% (or RMB 137.0 million) compared to RMB 492.3 million as at 31 December 2013. This was mainly attributable to the increase in other payables and accruals, short-term bank loans, amounts due to a Director, and bank overdrafts, which was offset by the decrease in trade payables, and bills payable to banks.

Trade payables decreased by RMB 2.8 million due mainly to the increase in usage of bills payable during FY2014.

Bills payable to banks decreased by RMB 15.9 million due mainly to the settlement of some bills payables during FY2014.

The other payables and accruals increased by RMB 24.4 million to RMB 204.1 million was due mainly to the accrual of the construction costs for the building of the Group's Xiamen Headquarters.

Short-term bank loans increased by RMB 94.5 million (or 66%) to RMB237.2 million due to proceeds from new banking facilities in order to maintain a better financial position, please refer to page 4 for further information.

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 FY2014 amounted to RMB 5.3 million while net cash flows generated from operating activities in FY2013 amounted to RMB 2.3 million. This was due mainly to the increase in bills receivables, the decrease in trade and bills payables.

Net cash flows generated from operating activities in 4Q2014 amounted to RMB 44.5 million while net cash flows used in operating activities in 4Q2013 amounted to RMB 8.2 million. This was due mainly to the increase in amount due to a director, bills payables, other payables and accruals.

Investing activities
Net cash flows used in investing activities in FY2014 amounted to RMB 81.7 million while net cash flows generated from investing activities in FY2013 amounted to RMB 26.6 million; and net cash flows used in investing activities in 4Q2014 amounted to RMB 53.9 million while net cash flows generated from investing activities in 4Q2013 amounted to RMB 68.7 million. This was due mainly to proceeds from disposal of investment properties in 4Q2013.

Financing activities
Net cash flows generated from financing activities in FY2014 amounted to RMB 102.6 million compared to RMB 45.7 million in FY2013. This was due mainly to new short-term bank loans and banking facilities obtained, please refer to page 3 for further information.

Net cash flows generated from financing activities in 4Q2014 amounted to RMB 8.3 million while net cash flows used in financing activities in 4Q2013 amounted to RMB 22.8 million. This was due mainly to the repayment of short-term bank loans after proceeds received from disposal of investment properties in Hong Kong in 4Q2013.

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 4Q2014 and FY2014 is line with the commentary made in item 10 of the Company's results announcement dated 10 November 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 year ended 31 December 2014 ("FY2014"), 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 FY2014 for zipper chains and zipper sliders were approximately 81% and 62% respectively.

For the three months ended 31 December 2014 and FY2014, 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 more stringent control of production overheads.

Notwithstanding the above, the Group expects the zipper industry to remain highly challenging and competitive. 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 Headquarters

The construction work for the Company's Xiamen Headquarters basement (comprising 4 levels) had commenced in 1Q2014 and as of to-date, the Group's Xiamen Headquarters is approximately 60% 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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Group 31 December 2014	**Zipper Chain RMB'000**	**Zipper Slider RMB'000**	**Trading RMB'000**	**Processing RMB'000**	**Corporate RMB'000**	**Elimination RMB'000**	**Total RMB'000**
Revenue:							
Sales to external customers	319,191	92,843	183,745	53,309	-	-	649,088
Inter-segment sales	3,297	11,023	-	23,329	(37,649)	-	-
Total revenue	322,488	103,866	183,745	76,638		(37,649)	649,088
Results:							
Segment gross profit	33,935	9,656	3,922	3,211	-	-	50,724
Segment results	16,693	3,532	4,469	(8,506)	14,595	-	30,783
Finance income	1,486	340	-	7	240	-	2,073
Finance expense	(4,800)	-	(1,522)	(1,713)	(3,900)	-	(11,935)
Profit before tax							20,921
Tax expenses							(10,782)
Net profit attributable to shareholders							10,139
Other segment information							
Fair value gains on investment properties	-	-	-	-	15,787	-	15,787
Depreciation and amortization	21,346	4,467	2	13,116	7	-	38,939
Provision for social security contribution	(208)	120	-	1,553	-	-	1,464
Loss on disposal	-	-	-	67	-	-	67
Total assets	**646,503**	**102,034**	**109,435**	**195,644**	**374,581**		**1,428,197**
Capital expenditure for property, plant and equipment	3,576	8,643	-	24,772	15	-	37,006
Total liabilities	**(228,468)**	**(64,173)**	**(72,447)**	**(108,711)**	**(215,281)**		**(689,080)**

Group 31 December 2013	**Zipper Chain RMB'000**	**Zipper Slider RMB'000**	**Trading RMB'000**	**Processing RMB'000**	**Corporate RMB'000**	**Elimination RMB'000**	**Total RMB'000**
Revenue:							
Sales to external customers	344,291	85,736	129,845	57,335	-	-	617,207
Inter-segment sales	8,216	10,582	-	18,649	-	(37,447)	-
Total revenue	352,507	96,318	129,845	75,984		(37,447)	617,207
Results:							
Segment gross profit	34,017	10,877	3,438	1,753	-	-	50,085
Segment results	(24,401)	811	8,991	(177,410)	(20,745)	-	(212,754)
Finance income	1,607	321	71	23	19	-	2,041
Finance expense	(4,057)	-	(3,106)	(732)	-	-	(7,895)
Loss before tax							(218,608)
Tax expenses							(5,505)

Net loss attributable to shareholders							(224,113)
Other segment information							
Fair value gains on investment properties	-	-	-	-	10,100	-	10,100
Depreciation and amortization	29,362	5,088	3	26,365	-	-	60,818
Inventory written down	-	3,000	-	-	-	-	3,000
Provision for social security contribution	480	426	-	1,598	-	-	2,504
Provision for minimum tax contribution	-	-	-	-	30,000	-	30,000
Impairment of intangible assets	17,684	-	-	157,286	-	-	174,970
Loss on disposal	450	401	-	-	-	-	851
Total assets	628,603	103,163	69,399	193,272	280,584		1,275,021
Capital expenditure for property, plant and equipment	14,545	4,053	2	7,299	-	-	25,899
Total liabilities	(228,105)	(69,931)	(31,582)	(85,165)	(130,196)		(544,979)

Note: Segment assets and liabilities are not disclosed as they are not regularly provided to the chief operating decision maker.

Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2014	**2013**	**2014**	**2013**
	RMB'000	RMB'000	RMB'000	RMB'000
People's Republic of China	465,264	487,362	655,789	597,294
Hong Kong	183,824	129,845	3	5
	649,088	617,207	655,792	597,299

Non-current assets information presented above consist of property, plant and equipment, investment property, land use rights, intangible assets and prepayments as presented in the consolidated balance sheet.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

16. A breakdown of sales.

	Group		
	FY2014	**FY2013**	**Increase/ (decrease)**
	RMB'000	**RMB'000**	**%**
(a) Sales reported for first half year	267,268	288,578	(7)
(b) Operating loss after tax before deducting minority interests reported for first half year	(8,286)	(28,252)	(71)
(c) Sales reported for second half year	381,820	328,629	16
(d) Operating profit / (loss) after tax before deducting minority interests reported for second half year	18,425	(195,861)	NM

NM: Not Meaningful

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	31 December 2014	**31 December 2013**
Ordinary	-	-
Preference	-	-
Total:	-	-

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes to duties and position held, if any, during the year
Hong Shao Lin	26	Son of Mr Hong Qing Laing – Executive Chairman, Chief Executive Officer and Substantial Shareholder	General Manager of Jinjiang Fookhing Zipper Co. Ltd ("Jinjiang FZ"), a subsidiary of the Company, since April 2013. Overseeing the operations of Jinjiang FZ.	No change

BY ORDER OF THE BOARD

Hong Qing Liang
Executive Chairman & CEO

27 February 2015