FUXING CHINA GROUP LIMITED

(Incorporated in Bermuda)

(Company Registration No.: 38973)

PROPOSED SHARE CONSOLIDATION

1 INTRODUCTION

The board of directors (the "**Board**") of Fuxing China Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**" and "**Group Company**" shall mean any company in the Group) wishes to announce that the Company proposes to undertake a share consolidation (the "**Proposed Share Consolidation**") of every 50 ordinary shares in the capital of the Company (the "**Shares**") registered in the name of each shareholder of the Company ("**Shareholder**") as at a books closure date to be determined by the Directors (the "**Books Closure Date**") into one (1) consolidated share ("**Consolidated Share**"), fractional entitlements to be disregarded.

2 RATIONALE

For the past six (6) months between September 2014 to February 2015 ("**Relevant Period**") prior to the Company making this announcement on the Proposed Share Consolidation, the absolute price of the Shares had traded between S$0.010 and S$0.035.The highest and lowest market prices, and the transacted volume of the Shares traded on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") during the Relevant Period were as follows:

Month	**Lowest (Singapore cents)**	**Highest (Singapore cents)**	**Volume of traded shares ('000)**	**Percentage fluctuation between the lowest and highest market price (%)**
September 2014	0.024	0.035	567	45.83
October 2014	0.020	0.027	1,063	35.00
November 2014	0.020	0.025	744	25.00
December 2014	0.015	0.021	1,187	40.00
January 2015	0.016	0.022	599.2	37.5
February 2015	0.010	0.019	2,293.6	90.0

The Proposed Share Consolidation will rationalize the share capital of the Company by reducing the number of Shares outstanding, and the trading price per Consolidated Share should theoretically be proportionally higher than the trading price per Share prior to the Proposed Share Consolidation.

The Proposed Share Consolidation would also facilitate compliance with the continuing listing requirement imposed by SGX-ST for issuers listed on the SGX Mainboard to have a minimum trading price per share of S$0.20.

Shareholders should note however that there can be no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

3 DETAILS

Under the Proposed Share Consolidation, every 50 Shares registered in the name of each Shareholder as at the Books Closure Date will be considered into one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* in all respects with the then existing Shares and with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which they are entitled to, based on their holdings of the Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Share Consolidation will be disregarded. Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

As at the date of this announcement, the Company has an issued share capital of S$152,814,000 divided into 860,272,000 Shares. Following the completion of the Proposed Share Consolidation, the Company will have an issued share capital of S$152,814,000 divided into 17,205,440 Consolidated Shares.

The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the shareholders' funds of the Group. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation.

4. APPROVALS

The Proposed Share Consolidation is subject to, *amongst others*:-

(i) the receipt of the approval-in-principle from the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares; and the receipt of the approval-in-principle from the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares; and

(ii) the approval of Shareholders by an ordinary resolution at the Annual General Meeting ('AGM") to be convened on 28 April 2015 to approve, *inter alia*, the Proposed Share Consolidation.

An application will be made to the SGX-ST for permission for dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

5. AGM

A letter to the Shareholders containing information on the Proposed Share Consolidation, together with notice of the AGM, will be despatched by the Company in due course.

6. APPLICATION TO SGX-ST

The Company will be submitting an application together with the conforming documents to the SGX-ST for the listing and quotation of the Consolidated Shares on the SGX-ST at the appropriate time. An appropriate announcement on the outcome of the application will be made in due course.

7. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Share Consolidation will be subject to conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Share Consolidation will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

8. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may be inspected at the office premises of the Company's legal counsels, Chancery Law Corporation, at 55 Market Street #08-01 Singapore 048941 during normal office hours (Monday to Friday, from 9.00 a.m. to 6.00 p.m.) for three (3) months from the date of this Announcement:-

(a) the Memorandum and Bye-Laws of the Company; and

(b) the annual report of the Company for FY2013.

BY ORDER OF THE BOARD
FUXING CHINA GROUP LIMITED

Hong Qing Liang
Executive Chairman and CEO
13 March 2015