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

QUARTERLY FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2015.

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 Consolidated Statement of Comprehensive Income for the First Quarter ended 31 March 2015.These figures have not been audited.

	Group		
	3 months Ended 31/3/2015 Unaudited	3 months Ended 31/3/2014 Unaudited	Increase/ (Decrease)
	RMB'000	RMB'000	%
Revenue	152,298	107,194	42
Cost of sales	(142,049)	(95,128)	49
Gross profit	10,249	12,066	(15)
Other income and expenses	729	1,829	(60)
Selling and distribution expenses	(1,311)	(1,625)	(19)
General and administrative expenses	(14,276)	(14,039)	2
Loss from operating activities	(4,609)	(1,769)	161
Finance income	529	543	(3)
Finance expense	(2,767)	(1,745)	59
Loss before taxation	(6,847)	(2,971)	130
Tax expense	(117)	(3,085)	(96)
Net loss for the period attributable to shareholders	(6,964)	(6,056)	15
Statement of Comprehensive Income			
Net loss attributable to shareholders	(6,964)	(6,056)	15
Other comprehensive loss for the period			
Exchange differences on translating foreign operations	(426)	(1,622)	(74)
Total comprehensive loss for the period attributable to shareholders	(7,390)	(7,678)	(4)

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

Allowance for doubtful trade receivables	5,226	4,836	8
Amortisation of land use rights	247	160	54
Amortisation of intangible assets	2	119	(98)
Depreciation of property, plant and equipment	11,135	9,553	17
Foreign exchange gain, net	(630)	(1,487)	(58)
Salaries and bonuses	15,867	13,854	15

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

	Group		Company	
	31/3/2015 Unaudited	31/12/2014 Audited	31/3/2015 Unaudited	31/12/2014 Audited
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	316,114	323,935	-	-
Investment properties	301,119	297,860	-	-
Land use rights	33,688	33,930	-	-
Intangible assets	12	14	-	-
Prepayments	348	53	-	-
Investment in subsidiaries	-	-	344,853	344,853
	651,281	655,792	344,853	344,853
Current assets				
Inventories	90,281	67,814	-	-
Trade and other receivables	265,396	269,618	2	2
Prepayments	82,658	90,997	-	-
Amount due from subsidiaries (non-trade)	-	-	482,343	483,419
Fixed deposits	55,729	58,318	-	-
Cash and bank balances	281,864	285,658	322	295
	775,928	772,405	482,667	483,716
Total assets	1,427,209	1,428,197	827,520	828,569
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	9,434	5,830	-	-
Bills payable to banks	156,165	133,827	-	-
Other payables & accruals	163,124	204,189	1,405	1,894
Amount due to a director (non-trade)	658	27,173	5,775	5,398
Amount due to related companies (non-trade)	-	-	-	-
Short-term bank loans	285,608	237,189	-	-
Bank overdrafts	17,167	17,102	-	-
Income tax payable	3,686	4,012	-	-
Total current liabilities	635,842	629,322	7,180	7,292
Non-current liabilities				
Deferred tax liabilities	59,640	59,758	-	-
	59,640	59,758	-	-
Total liabilities	695,482	689,080	7,180	7,292
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	64,359	-	-
Restructuring reserve	(117,878)	(117,878)	-	-
Contributed surplus	39,573	39,573	39,573	39,573
Translation reserve	1,898	2,324	-	-
Accumulated (losses)/profits	(22,391)	(15,427)	14,601	15,538
Total equity	731,727	739,117	820,340	821,277
Total equity and liabilities	1,427,209	1,428,197	827,520	828,569

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 March 2015		As at 31 December 2014	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Bills payable to banks				
- China CITIC Bank[1]	98,700	-	75,700	-
- China Construction Bank[2]	27,000	-	32,000	-
- Industrial and Commercial Bank of China – Longhu Jinjiang Branch [3]	-	-	-	-
- Hang Seng Bank[4]	30,465	-	26,126	-
Short-term bank loans				
- China CITIC Bank[1]	118,300	-	70,000	-
- Industrial and Commercial Bank of China – Longhu Jinjiang Branch[3]	9,000	-	9,000	-
- Hang Seng Bank[4]	29,308	-	29,189	-
- China Construction Bank Dongqu Branch[5]	110,000	-	110,000	-
- Fujian Jinjiang Agricultural Bank – Longhu Branch [6]	19,000	-	19,000	-
Bank overdraft				
- Hang Seng Bank[4]	17,167	-	17,102	-

Notes:

[1] The bills payable of RMB 98.7 million and short-term bank loan of RMB127.3 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 27 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 30.5 million, the short-term loan of RMB 29.3 million and the bank overdraft of RMB 17.2 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 31/3/2015 Unaudited RMB'000	3 months Ended 31/3/2014 Unaudited RMB'000
OPERATING ACTIVITIES		
Loss before taxation	(6,847)	(2,971)
Adjustments for:		
Depreciation of property, plant and equipment	11,135	9,553
Amortisation of land use rights	242	160
Amortisation of intangible assets	2	119
Provision for social contribution	1,464	-
Allowance for doubtful trade receivables	5,226	4,836
Interest expense	2,768	1,745
Interest income	(529)	(543)
Foreign currency differences	(310)	(1,487)
Total adjustments	19,998	14,383
Operating cash flows before changes in working capital	**13,151**	**11,412**
(Increase)/ Decrease in:		
Inventories	(22,466)	(28,499)
Trade and other receivables	(1,004)	(12,383)
Prepayments	8,339	17,187
Increase/ (Decrease) in:		
Trade payables	3,604	4,608
Other payables & accruals	(20,191)	(70,875)
Due to directors	(26,516)	1,392
Total changes in working capital	(58,234)	(88,570)
Cash flows used in operations	**(45,083)**	**(77,158)**
Interest expense paid	(2,768)	(1,745)
Interest income received	529	543
Income tax refunded/(paid)	(560)	(1,426)
Net cash used in operating activities	**(47,882)**	**(79,786)**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,609)	(884)
Construction of investment properties	(3,258)	(3,731)
Net cash used in investing activities	**(6,867)**	**(4,615)**
FINANCING ACTIVITIES		
Proceeds from short-term borrowings	48,300	60,000
Repayments for short-term borrowings	-	
Decrease in fixed deposits pledged to banks	2,589	15,730
Net cash generated from financing activities	**50,889**	**75,730**
NET DECREASE IN CASH & CASH EQUIVALENTS	**(3,860)**	**(8,671)**
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	**268,557**	**253,016**
CASH & CASH EQUIVALENTS AT END OF PERIOD	**264,697**	**244,345**

Notes to the combined statement of cash flows

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

	3 months Ended 31/3/2015 RMB'000	3 months Ended 31/3/2014 RMB'000
Fixed deposits	55,729	50,751
Cash and bank balances	281,864	252,479
	337,593	303,230
Less: bank overdraft	(17,167)	(8,134)
fixed deposits (pledged)	(55,729)	(50,751)
Cash and cash equivalents	264,697	244,345

Fixed deposits amounting to RMB 55,729,000 (2013: 50,751,000) were pledged to banks for the Group's bills payable to banks, short-term loans and bank overdrafts.

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	Total equity
Group	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
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	-	-	-	-	-	(1,622)	(6,056)	(7,678)
Closing balance at 31 March 2014	772,574	(6,408)	63,502	39,573	(117,878)	1,766	(30,765)	722,364
At 1 January 2015	772,574	(6,408)	64,359	39,573	(117,878)	2,324	(15,427)	739,117
Total comprehensive loss for the period	-	-	-	-	-	(426)	(6,964)	(7,390)
Closing balance at 31 March 2015	772,574	(6,408)	64,359	39,573	(117,878)	1,898	(22,391)	731,727
Company								
At 1 January 2014	772,574	(6,408)	-	39,573	-	-	303	806,042
Total comprehensive loss for the period	-	-	-	-	-	-	253	253
At 31 March 2014	772,574	(6,408)	-	39,573	-	-	556	806,295
At 1 January 2015	772,574	(6,408)	-	39,573	-	-	15,538	821,277
Total comprehensive loss for the period	-	-	-	-	-	-	(937)	(937)
At 31 March 2015	772,574	(6,408)	-	39,573	-	-	14,601	820,340

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 first quarter ended 31 March 2015, there were no shares acquired.

Convertibles
For the first quarter ended 31 March 2015, 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 immediately preceeding year.

	31 March 2015	**31 December 2014**
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 31 March 2015.

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 2015	13,886,000
Purchases of shares during the period	-
Total number of shares as at 31 March 2015	13,886,000

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 March 2015.

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 2014 have been applied in the preparation of the financial statements for the first quarter ended 31 March 2015.

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 period.

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.

Earnings per ordinary share of the group, after deducting any provision for preference dividends (in RMB cents):	Group	
	3 months Ended 31/3/2015	**3 months Ended 31/3/2014**
(a) Basic and	(0.8)	(0.7)
(b) On a fully diluted basis	(0.8)	(0.7)

Note: Basic earnings per share is computed based on weighted average number of shares in issue as at 31 March 2015: 860,272,000 ordinary shares (2014: 860,272,000).

For the quarter ended 31 March 2015 and 2014, the basic and diluted earnings per share of the Group are the same as there were no potential diluting ordinary shares outstanding as at 31 March 2015and 2014.

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	
	31/3/2015	**31/12/2014**	**31/3/2015**	**31/12/2014**
Net asset value per ordinary share based on issued share capital at the end of the period (in RMB): (Number of ordinary shares in issue as at 31/3/2015 : 860,272,000 (as at 31/3/2014 : 860,272,000 shares)	0.85	0.86	0.95	0.95

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		
	3 months Ended 31/3/2015 Unaudited	**3 months Ended 31/3/2014 Unaudited**	**Increase/ (Decrease)**
REVENUE	**RMB'000**	**RMB'000**	**%**
Zipper Chain[(1)]	61,268	58,526	5
Zipper Slider[(1)]	21,146	18,604	14
Trading	59,195	18,775	215
Processing	14,007	13,340	5
Inter-segment sales	(3,318)	(2,051)	62
Total Group Revenue	152,298	107,194	42

COST OF SALES

Zipper Chain[(1)]	54,255	50,911	7
Zipper Slider[(1)]	19,092	15,210	26
Trading	57,755	18,321	215
Processing	14,264	12,737	12
Inter-segment sales	(3,318)	(2,051)	62
Total Group Cost of Sales	142,048	95,128	49

GROSS PROFIT

Zipper Chain[(1)]	7,013	7,615	(8)
Zipper Slider[(1)]	2,054	3,394	(39)
Trading	1,440	454	217
Processing	(257)	603	(143)
Total Gross Profit	10,250	12,066	(15)

GROSS PROFIT MARGIN

	%	**%**	**% pts**
Zipper Chain	11.4	13.0	(1.6)
Zipper Slider	9.7	18.2	(8.5)
Trading	2.4	2.4	-
Processing	(1.8)	4.5	NM
Average Gross Profit Margin	6.7	11.3	(4.6)
Zipper Segment- Gross Profit Margin	11.0	14.3	(3.3)

NM: Not Meaningful

Note:

(1)The Zipper Chain segment and the Zipper Slider 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.

1Q2015 vs. 1Q2014

Revenue

The Group's revenue increased by RMB 45.1 million (or 42%) to RMB 152.3 million. The increase in revenue was due mainly to the increase in sales of the Zipper Chains (RMB 2.7 million) and Zipper Sliders (RMB 2.5 million) (collectively referred as the "Zippers segment"), the Trading segment (RMB 40.4 million), and the Processing segment (RMB 0.7 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 Zippers segment and the Processing segment for the first quarter ended 31 March 2015 ("1Q2015") was attributable to the increase in sales orders from new customers arising from the efforts of the Group's sales department. The average selling prices in the Zippers segment had decreased by 12% per kg while sales volume had increased by 21% during 1Q2015.

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, 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 increase in revenue from the Trading segment was due to an increase in sales orders from customers during 1Q2015.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by RMB 1.8 million (or 15%) to RMB 10.3 million. The decrease in gross profit was due mainly to the increase in wages and factory overheads.

Average gross profit margin decreased by 4.5 percentage points to 6.7% due to the decrease in gross profit margin from the Zippers segment in 1Q2015 arising from the lower selling prices and higher production costs, e.g. increase in wages and factory overheads.

Other income and other expenses

Other income comprises foreign exchange gain, rental income and government subsidies. The net income decrease was due mainly to the decrease in government subsidies and decrease in foreign exchange gain as a result of the appreciation of USD and SGD against RMB arising from the balance in the Company's bank account.

Selling and distribution expenses

Selling and distribution expenses decreased by RMB 0.3 million (or 19%) to RMB 1.3 million. The decrease was due mainly to a decrease in advertising costs as a result of lesser promotional activities .

General and administrative expenses

General and administrative expenses increased by RMB 0.2 million (or 2%) to RMB14.3 million. This was mainly due to the increase in allowance for doubtful trade receivables.

Finance income and expenses

Finance expenses increased by RMB 1.0 million (or 59%) to RMB 2.8 million. This was attributable to the increase in short-term bank loan and bill transactions with banks.

Income tax expense

	Group		
	3 months Ended 31/3/2015 Unaudited	**3 months Ended 31/3/2014 Unaudited**	**Increase/ (Decrease)**
	RMB'000	**RMB'000**	**%**
Current tax[1]	84	588	(86)
Deferred tax[2]	33	2,497	(99)
Income tax expense	117	3,085	(96)

NM: Not Meaningful

Notes

[1] Current tax decreased by RMB 0.5 million or 86% due to lower profit before taxation in 1Q2015.

[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 onwards shall be subject to a 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 from 1 January 2008. As Jade Star (the immediate holding of the Group's subsidiaries in the PRC) was incorporated in the British Virgin Islands, the applicable withholding tax rate is 10%.

FINANCIAL POSITION

Non-current assets

As at 31 March 2015, non-current assets amounted to RMB 651.3 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 316.1 million, a decrease of 2% (or RMB 7.8 million) compared to RMB323.9 million as at 31 December 2014. The decrease was due mainly to depreciation expenses but partially offset by purchase of properties, plant and equipment during the period.

The increases in investment properties were due to the recognition of the construction cost of the Group's Xiamen headquarter ("HQ Project") in 1Q2015.

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

The prepayment balance as at 31 March 2015 represented the deposits paid for purchases of machinery.

Current assets

As at 31 March 2015, current assets amounted to RMB 775.9 million. Current assets increased by RMB 3.5 million (or 0.5%) compared to RMB 772.4 million as at 31 December 2014. This was largely due to an increase in inventories which was partially offset by the decrease in trade and other receivables, prepayment to suppliers, bank deposits, cash and bank balances.

Inventories increased by RMB 22.5 million or 33% was due to a build-up of inventories as a result of the decline in sales in 1Q2015 while production still continued on an optimal scale to cover its manufacturing overheads. Moreover, the Group will hold a 3-month raw materials

requirement for purpose of production efficiency compared to 2-month raw materials requirement as at 31 December 2014.

The decrease in prepayments to suppliers was due mainly to the decrease in advances made to certain suppliers. 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 certain percentage of the total contract price.

Cash and bank balances decreased from RMB 285.7 million to RMB 281.9 million mainly due to purchase of plant and machineries.

Current liabilities

The increase in current liabilities of RMB6.5 million or 1% from RMB629.3 million as at 31 December 2014 to RMB635.8 million as at 31 March 2015 was due to the increase in trade payables, bills payables to banks, short-term bank loans and bank overdrafts which was partially offset by decrease in amount due to a director, other payables and accruals

The increase in trade payables was due to an increase in purchase of raw materials in March 2015, ie after the Lunar New Year.

The increase in short-term bank loans was due mainly to a new bank loan of RMB48.3 million secured. Please refer to page 4 for further information.

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

Bills payables increased due to the increase in purchase of raw materials by the Group in March 2015.

Other payables & accruals decreased due to the decrease in advances received from customers.

The decrease of amount due to a director was due to funds repaid to Mr Hong Qing Liang for the HQ Project after the Group obtained new short-term bank loans.

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 1Q2015 amounted to RMB 47.9 million compared to RMB 79.8 million in 1Q2014, mainly due to the lower decrease in other payables and accruals in 1Q2015 compared to 1Q2014.

Investing activities

Net cash flows used in investing activities in 1Q2015 amounted to RMB 6.9 million compared to RMB 4.6 million in 1Q2014, due mainly to the purchase of plant and machineries and construction of the HQ project in 1Q2015.

Financing activities

Net cash flows generated from financing activities amounted to RMB 50.9 million in 1Q2015 and RMB 75.7 million in 1Q2014, mainly due to the proceeds from new banking facilities in 1Q2015 and 1Q2014.

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 1Q2015 is line with the commentary in paragraph 10 of the Group's results announcement dated 27 February 2015.

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 1Q2015, 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 1Q2015 for zipper chains and zipper sliders were approximately 65% and 54% respectively.

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 the construction progress of the HQ Project

As of to-date, the HQ Project is approximately 65% completed. The Company had obtained shareholders' approval on 28 April 2015 to dispose part of the office building of the HQ Project when opportunity arises.

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

29 April 2015

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 first quarter ended 31 March 2015 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
Executive Chairman and CEO

.....
Hong Peng You
Director

Date: 29 April 2015