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

FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016.

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 31/12/2016. These figures have not been audited.

	Group			Group		
	3 months Ended 31/12/2016 Unaudited	3 months Ended 31/12/2015 Unaudited	Increase/ (Decrease)	Year Ended 31/12/2016 Unaudited	Year Ended 31/12/2015 Audited	Increase/ (Decrease)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	234,621	205,174	14	832,346	702,093	19
Cost of sales	(222,411)	(192,034)	16	(783,531)	(653,969)	20
Gross profit	12,210	13,140	(7)	48,815	48,124	1
Other income and expenses	(30,468)	10,407	NM	(12,775)	16,867	NM
Selling and distribution expenses	(1,174)	(2,084)	(44)	(6,271)	(7,280)	(14)
General and administrative expenses	(52,634)	(24,264)	117	(94,215)	(59,171)	59
Loss from operating activities	(72,066)	(2,801)	2,473	(64,446)	(1,460)	4,314
Finance income	248	329	(25)	2,043	1,765	16
Finance expense	(3,655)	(4,999)	(27)	(14,176)	(13,863)	2
Loss before income tax	(75,473)	(7,471)	910	(76,579)	(13,558)	465
Income tax expense	(699)	(2,200)	(68)	(3,108)	(3,667)	(15)
Loss for the period attributable to the equity holders of the Company	(76,172)	(9,671)	688	(79,687)	(17,225)	365
Other comprehensive (loss)/income for the period						
Item that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations	(4,178)	(2,203)	90	(7,127)	(6,402)	11
Total comprehensive loss for the period attributable to shareholders	(80,350)	(11,874)	577	(86,814)	(23,627)	267

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

Net of allowance for/(Write back of) doubtful trade receivables	(538)	1,516	NM	13,216	5,845	126
Allowance for doubtful other receivables <page 6>	15,989	-	NM	15,989	-	NM
Allowance for prepayments	93	5,094	(98)	1,184	5,094	(77)
Allowance for inventory written down	600	1,956	(69)	600	1,956	(69)
Amortisation of land use rights	226	242	(7)	937	969	(3)
Amortisation of intangible assets	-	2	NM	5	9	(44)
Gain on disposal of subsidiary	-	-	-	12,788	-	NM
Written off of property, plant and equipment	16,368	5,271	211	16,368	5,271	211
Loss/(gain) from fair valuation of investment property	37,033	(7,021)	NM	37,033	(7,021)	NM
Depreciation of property, plant and equipment	8,963	6,828	31	34,463	37,956	(9)
Provision for social security contribution	8	(588)	NM	(360)	423	NM
Foreign exchange (gain)/loss, net	(6,534)	(3,051)	114	(10,930)	(8,703)	26
Salaries and bonuses	15,572	15,005	5	61,962	66,319	(7)

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	
	31/12/2016 Unaudited	31/12/2015 Audited	31/12/2016 Unaudited	31/12/2015 Audited
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	241,313	285,159	-	-
Investment property	476,100	376,620	-	-
Land use rights	29,648	32,961	-	-
Intangible assets	-	5	-	-
Prepayments	429	401	-	-
Investment in subsidiaries	-	-	344,853	344,853
Total non-current assets	747,490	695,146	344,853	344,853
Current assets				
Inventories	57,732	57,910	-	-
Trade and other receivables	271,303	280,486	2	2
Prepayments to suppliers	73,737	65,086	-	-
Amount due from subsidiaries (non-trade)	-	-	399,869	488,744
Fixed deposits	39,900	40,750	-	-
Cash and bank balances	248,798	328,639	266	275
Total current assets	691,470	772,871	400,137	489,021
Total assets	1,438,960	1,468,017	744,990	833,874
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	8,640	9,718	-	-
Bills payable to banks	144,478	132,841	-	-
Other payables & accruals	253,024	225,861	2,291	1,421
Amount due to a director (non-trade)	7,544	7,016	7,980	6,720
Short-term bank loans	341,278	293,188	-	-
Bank overdrafts	19,571	18,567	-	-
Income tax payable	4,057	4,305	-	-
Total current liabilities	778,592	691,496	10,271	8,141
Non-current liability				
Deferred tax liabilities	31,692	61,031	-	-
Total non-current liability	31,692	61,031	-	-
Total liabilities	810,284	752,527	10,271	8,141
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	64,857	64,590	-	-
Restructuring reserve	(117,878)	(117,878)	-	-
Contributed surplus	39,573	39,573	39,573	39,573
Translation reserve	(11,205)	(4,078)	-	-
Accumulated profits/(losses)	(112,837)	(32,883)	(71,020)	19,994
Total equity	628,676	715,490	734,719	825,733
Total equity and liabilities	1,438,960	1,468,017	744,990	833,874

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 2016		As at 31 December 2015	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Bills payable to banks				
- China CITIC Bank[1]	54,000	-	53,500	-
- China Construction Bank[2]	30,000	-	35,000	-
- Hang Seng Bank[4]	60,478	-	44,341	-
Short-term bank loans				
- China CITIC Bank[1]	159,000	-	120,000	-
- Industrial and Commercial Bank of China – Longhu Jinjiang Branch [3]	9,000	-	9,000	-
- Hang Seng Bank[4]	44,278	-	35,188	-
- China Construction Bank Dongqu Branch[5]	110,000	-	110,000	-
- Fujian Jinjiang Agricultural Bank – Longhu Branch [6]	19,000	-	19,000	-
Bank overdrafts				
- Hang Seng Bank[4]	19,571	-	18,567	-

Notes:

[1] The bills payable of RMB 54.0 million and short-term bank loan of RMB159.0 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 30.0 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 60.5 million, short-term loan of RMB 44.3 million and bank overdraft of RMB 19.6 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, charge over investment property (Unit 13 on 5th Floor, Unit 15 on 16th Floor and Unit 15 on 25th Floor, Seapower Tower Concordia Plaza, No.1 Science Museum Road, Kowloon owned by Goldplan Corporation Limited, 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 and Goldplan Corporation Limited are 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 31/12/2016 Unaudited RMB'000	3 months Ended 31/12/2015 Unaudited RMB'000	Year Ended 31/12/2016 Unaudited RMB'000	Year Ended 31/12/2015 Audited RMB'000
OPERATING ACTIVITIES				
Loss before income tax	**(75,473)**	**(7,471)**	**(76,579)**	**(13,558)**
Adjustments for:				
Depreciation of property, plant and equipment	8,963	6,828	34,463	37,956
Amortisation of land use rights	226	242	937	969
Amortisation of intangible assets	-	2	5	9
Written off of property, plant and equipment	16,367	5,271	16,368	5,271
Gain on disposal of subsidiary <Note B>	-	-	(12,788)	-
Loss/(Gain) from fair valuation on investment property	37,033	(7,021)	37,033	(7,021)
Net allowance for/(reversal of) doubtful trade receivables	(538)	1,516	13,216	5,845
Net allowance for doubtful other receivables	15,989	-	15,989	-
Net allowance for/(reversal of) advances to suppliers	93	5,094	1,184	5,094
Inventory written down	600	1,956	600	1,956
Provision for social security contribution	8	(588)	(360)	423
Interest expense	3,655	4,999	14,177	13,863
Interest income	(248)	(329)	(2,043)	(1,765)
Unrealised foreign currency differences	3,938	(1,408)	1,963	(4,427)
Total adjustments	86,086	16,562	120,743	58,173
Operating cash flows before changes in working capital	**10,613**	**9,091**	**44,164**	**44,615**
Decrease/(Increase) in:				
Inventories	14,092	40,076	(6,309)	7,948
Trade receivables	(10,886)	(20,903)	(11,194)	(11,566)
Bills and other receivable	(20,310)	(7,106)	(12,895)	(7,681)
Prepayment	(15,596)	(228)	(10,518)	20,817
Increase/(Decrease) in:				
Trade payables	1,049	288	13,174	3,888
Other payables & accruals	9,910	32,768	30,145	23,781
Bills payable	41,552	16,227	11,637	(986)
Due to directors	(982)	5,767	528	(20,157)
Total changes in working capital	18,923	66,889	14,662	16,044
Cash flows generated from operations	**29,536**	**75,980**	**58,826**	**60,659**
Interest expense paid	(3,655)	(4,999)	(14,177)	(13,863)
Interest income received	248	329	2,043	1,765
Income tax paid	192	(463)	(31,507)	(2,100)
Net cash generated from operating activities	**26,321**	**70,847**	**15,185**	**46,461**
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(1,269)	1,950	(18,052)	(4,799)
Construction of investment properties	(20,247)	(34,312)	(136,513)	(71,739)
Disposal of subsidiary, net of cash disposed <Note B>	-	-	18,685	-
Net cash used in investing activities	**(21,516)**	**(32,362)**	**(135,880)**	**(76,538)**
FINANCING ACTIVITIES				
Proceeds from short-term borrowings	9,000	53,725	178,000	152,025
Repayments of short-term borrowings	(9,000)	(29,700)	(139,000)	(98,000)
(Decrease)/Increase in fixed deposits pledged to banks	(13,250)	(2,000)	850	17,568
Net cash (used in) / generated from financing activities	**(13,350)**	**22,025**	**39,850**	**71,593**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(8,545)	60,510	(80,845)	41,516
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD / YEAR	237,772	249,562	310,072	268,556
CASH & CASH EQUIVALENTS AT END OF PERIOD/YEAR (Note A)	229,227	310,072	229,227	310,072

Note A:

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

		31/12/2016 Unaudited RMB'000	31/12/2015 Audited RMB'000
Fixed deposits		39,900	40,750
Cash and bank balances		248,798	328,639
		288,698	369,389
Less:	Bank overdraft	(19,571)	(18,567)
	Fixed deposits (pledged)	(39,900)	(40,750)
Cash and cash equivalents		229,227	310,072

Fixed deposits amounting to RMB 39,900,000 (2015: RMB 40,750,000) are pledged to banks for the Group's bills payable to banks and bank overdrafts.

Note B:

Disposal of a subsidiary

On 26 July 2016, Jade Star Group Holding Limited, a wholly owned subsidiary of the Company disposed of its entire interest in Qingdao Hong Shi High Technological Co., Ltd. ("Qingdao HS") for a cash consideration of RMB 21,000,000.

	3 months Ended 31/12/2016 Unaudited RMB'000	3 months Ended 31/12/2015 Unaudited RMB'000	Year Ended 31/12/2016 Unaudited RMB'000	Year Ended 31/12/2015 Audited RMB'000
Consideration received	-	-	21,000	-
Non-current assets	-	-	13,416	-
Current assets	-	-	14,732	-
Non-current liability	-	-	(530)	-
Current liabilities	-	-	(19,406)	-
Net assets disposed off	-	-	8,212	-
Gain on disposal of Qingdao HS	-	-	12,788	-

Net cash outflow arising on disposal

	3 months Ended 31/12/2016 Unaudited RMB'000	3 months Ended 31/12/2015 Unaudited RMB'000	Year Ended 31/12/2016 Unaudited RMB'000	Year Ended 31/12/2015 Audited RMB'000
Cash consideration received	-	-	21,000	-
Cash and cash equivalents disposed off	-	-	(2,315)	-
Disposal of Qingdao HS , net of cash disposed	-	-	18,685	-

a) The Company had obtained from its shareholders for disposal of Qingdao HS at a Special General Meeting held on 28 April 2016.

b) As at 31 December 2016, the Group has other receivables from Qingdao HS amounted RMB16.0 million which had not been settled for more than 6 months. According to the Group's accounting policy, the provision for doubtful other receivables will be made on the outstanding amount which are overdue for more than 6 months. Management is closely monitoring the collections from Qingdao HS.

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 2015	772,574	(6,408)	64,359	39,573	(117,878)	2,324	(15,427)	739,117
Total comprehensive loss for the year	-	-	-	-	-	(6,402)	(17,225)	(23,627)
Transferred to reserve fund	-	-	231	-	-	-	(231)	-
Closing balance at 31 December 2015	772,574	(6,408)	64,590	39,573	(117,878)	(4,078)	(32,883)	715,490
At 1 January 2016	772,574	(6,408)	64,590	39,573	(117,878)	(4,078)	(32,883)	715,490
Total comprehensive loss for the year	-	-	-	-	-	(7,127)	(79,687)	(86,814)
Transferred to reserve fund	-	-	267	-	-	-	(267)	-
Closing balance at 31 December 2016	772,574	(6,408)	64,857	39,573	(117,878)	(11,205)	(112,837)	628,676
Company								
At 1 January 2015	772,574	(6,408)	-	39,573	-	-	15,538	821,277
Total comprehensive income for the year	-	-	-	-	-	-	4,456	4,456
Closing balance at 31 December 2015	772,574	(6,408)	-	39,573	-	-	19,994	825,733
At 1 January 2016	772,574	(6,408)	-	39,573	-	-	19,994	825,733
Total comprehensive loss for the year	-	-	-	-	-	-	(91,014)	(91,014)
Closing balance at 31 December 2016	772,574	(6,408)	-	39,573	-	-	(71,020)	734,719

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 2015	772,574	(6,408)	64,359	39,573	(117,878)	(1,875)	(22,981)	727,364
Total comprehensive loss for the period	-	-	-	-	-	(2,203)	(9,671)	(11,874)
Transferred to reserve fund	-	-	231	-	-	-	(231)	-
Closing balance at 31 December 2015	772,574	(6,408)	64,590	39,573	(117,878)	(4,078)	(32,883)	715,490
At 1 October 2016	772,574	(6,408)	64,590	39,573	(117,878)	(7,027)	(36,398)	709,026
Total comprehensive loss for the period	-	-	-	-	-	(4,178)	(76,172)	(80,350)
Transferred to reserve fund	-	-	267	-	-	-	(267)	-
Closing balance at 31 December 2016	772,574	(6,408)	64,857	39,573	(117,878)	(11,205)	(112,837)	628,676
Company								
At 1 October 2015	772,574	(6,408)	-	39,573	-	-	17,905	823,644
Total comprehensive income for the period	-	-	-	-	-	-	2,089	2,089
Closing balance at 31 December 2015	772,574	(6,408)	-	39,573	-	-	19,994	825,733
At 1 October 2016	772,574	(6,408)	-	39,573	-	-	20,486	826,225
Total comprehensive income for the period	-	-	-	-	-	-	(91,506)	(91,506)
Closing balance at 31 December 2016	772,574	(6,408)	-	39,573	-	-	(71,020)	734,719

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 2016, there were no shares acquired.

Convertibles
For the year ended 31 December 2016, 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.

	31 December 2016	**31 December 2015**
Total number of issued shares excluding treasury shares	17,205,438	17,205,438

There were a total of 277,720 treasury shares as at 31 December 2016.

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 2016	277,720
Purchases of shares during the period	-
Total number of shares as at 31 December 2016	277,720

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 December 2016.

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 2015 have been applied in the preparation for the financial statements for the year ended 31 December 2016.

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 per ordinary share of the group, after deducting any provision for preference dividends (in RMB):	Group		Group	
	3 months ended 31/12/2016	**3 months ended 31/12/2015**	**Year ended 31/12/2016**	**Year ended 31/12/2015**
(a) Basic and	(4.43)	(0.56)	(4.63)	(1.00)
(b) On a fully diluted basis	(4.43)	(0.56)	(4.63)	(1.00)

Note: Basic loss per share is computed based on weighted average number of shares in issue in 2016:17,205,438 ordinary shares (2015: 17,205,438).

For the fourth quarter and full year ended 31 December 2016 and 2015, 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 December 2016 and 31 December 2015.

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	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Net asset value per ordinary share based on issued share capital at the end of the year (in RMB): (Number of ordinary shares in issue as at 31/12/2016: 17,205,438 (as at 31/12/2015: 17,205,438))	36.5	41.6	42.7	47.9

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 31/12/2015 Unaudited	**3 months Ended 31/12/2015 Unaudited**	**Increase/ (Decrease)**	**Year Ended 31/12/2015 Unaudited**	**Year Ended 31/12/2015 Audited**	**Increase/ (Decrease)**
REVENUE	**RMB'000**	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Zipper Chain[(1)]	73,382	77,326	(5)	264,541	297,219	(11)
Zipper Slider[(1)]	29,023	23,177	25	94,879	84,876	12
Trading	116,820	91,242	28	428,469	276,307	55
Processing	21,979	20,768	6	64,585	67,698	(5)
Inter-segment sales	(6,583)	(7,339)	(10)	(20,128)	(24,007)	(16)
Total Group Revenue	234,621	205,174	14	832,346	702,093	19
COST OF SALES						
Zipper Chain[(1)]	65,664	69,514	(6)	236,087	264,107	(11)
Zipper Slider[(1)]	26,062	20,505	27	84,637	76,765	10
Trading	114,534	89,038	29	419,182	269,603	55
Processing	22,734	20,316	12	63,753	67,501	(6)
Inter-segment sales	(6,583)	(7,339)	(10)	(20,128)	(24,007)	(16)
Total Group Cost of Sales	222,411	192,034	16	783,531	653,969	20
GROSS PROFIT						
Zipper Chain[(1)]	7,718	7,812	(1)	28,454	33,112	(14)
Zipper Slider[(1)]	2,961	2,672	11	10,242	8,111	26
Trading	2,286	2,204	4	9,287	6,704	39
Processing	(755)	452	NM	832	197	322
Total Gross Profit	12,210	13,140	(7)	48,815	48,124	1
GROSS PROFIT MARGIN						
	%	**%**	**% pts**	**%**	**%**	**% pts**
Zipper Chain	10.5	10.1	0.4	10.8	11.1	(0.3)
Zipper Slider	10.2	11.5	(1.3)	10.8	9.6	1.2
Trading	2.0	2.4	(0.4)	2.2	2.4	(0.2)
Processing	(3.4)	2.2	NM	1.3	0.3	1.0
Average Gross Profit Margin	5.2	6.4	(1.2)	5.9	6.9	(1.0)
Zipper Segment Gross Profit Margin	10.4	10.4	-	10.8	10.8	-

NM: Not Meaningful

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

FY2016 vs. FY2015

Revenue

The Group's revenue increased by RMB 130.3 million (or 19%) to RMB 832.3 million. This was mainly due to the increase in the sales of the Trading segment (RMB 152.2 million) and the Zipper Slider segment (RMB 10.0 million). The increase was partially offset by the decrease in revenue contributions from the Zipper Chain segment (RMB 32.7 million), and the Processing segment (RMB 3.1 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 for the Zipper Slider segment was mainly due to the increase in sales volume arising from the better quality achieved following the partial automation of the Group's plant and machinery in the production of zipper sliders.

The decreases in revenue from the Zipper Chain segment and the Processing segment were 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 decrease in sales orders from customers.

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 FY2016.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by RMB 0.7 million (or 1%) to RMB 48.8 million. The increase was due mainly to the increases in revenue from the Trading segment.

Average gross profit margin decreased by 1.0 percentage point to 5.9% due to the decrease in gross profit margin from the Zipper Chain segment in FY2016 arising from the decrease in sales order from customers and higher production costs due mainly to higher raw materials cost.

Other income and other expenses

Other income mainly comprised gain on disposal of Qingdao HS, government subsidies, refund of unclaimed cash dividend distribution, rental income and foreign exchange gains while other expenses represented impairment loss on investment properties and donations. The net expenses represented the impairment loss on investment properties (RMB 37.0 million) which was partially offset by the gain on disposal of Qingdao HS (RMB 12.8 million). (Refer to page 6 Note B for details) and the foreign exchange gain of RMB10.9 million. The foreign exchange gain arose from the depreciation of RMB against USD and SGD in the Group's foreign currencies denominated bank balances and from the translation of HK dollar denominated balances owing from subsidiaries in the Company's book due to depreciation of RMB against HK dollar.

Selling and distribution expenses

Selling and distribution expenses decreased by RMB 1.0 million (or 14%) to RMB 6.3 million as a result of decrease in staff costs due to a leaner sales force.

General and administrative expenses

General and administrative expenses increased by RMB 35.0 million (or 59%) to RMB 94.2 million. This was mainly due to allowance for doubtful trade receivables of the RMB 13.2 million, allowance for doubtful other receivables of RMB 16.0 million, and written off of spare plant and equipment of RMB 16.4 million.

The allowance for doubtful trade receivables increased by RMB 7.4 million to RMB 13.2 million as a result of longer credit period request from some customers. Due to the economy slowdown in the PRC, the Group's customers had requested for longer credit terms. The Group had obliged to its customers' request for longer credit terms in order to retain the customers. According to the Group's accounting policy, the extended credit period will be accounted for as allowance for doubtful debts on a prudent basis.

These customers are solvent and continue to trade with the Group on a regular basis. Management is closely monitoring the collections of these customers and for the cases of long outstanding debts, the sale representatives would collect the outstanding balances from them in person. So far, there are no cases of non-payment from these customers and accordingly, no legal actions are required.

As at 31 December 2016, the provision for doubtful other receivables referred to debts more than 6 months provided for Qingdao HS which amounted to RMB16.0 million. Please refer to page 6 Note B for details.

The Company had written off its spare plant and machineries, having successfully installed its automation machineries in FY2016.

Finance income and expenses

Finance expenses increased by RMB 0.3 million (or 2%) to RMB 14.2 million. This was attributable to the increase in short-term loans and bills transactions with banks. Finance income increased by RMB 0.3 million (or 16%) to RMB 2.0 million due mainly to the increase in interest rate.

Tax expense

	Group		
	Year Ended 31/12/2016 Unaudited	**Year Ended 31/12/2015 Audited**	**Increase/ (Decrease)**
	RMB'000	**RMB'000**	**%**
Current tax[1]	2,841	2,181	30
Deferred tax[2]	267	231	16
Deferred tax[3]	-	1,255	NM
Tax expense	3,108	3,667	(15)

NM: Not Meaningful

Notes:

[1] Current tax increased by RMB 0.7 million or 30% due to the increase in taxable profit before taxation in FY2016.

[2] On 22 February 2008, the State Administration of Taxation of China issued a circular Caishui 2008 No.001, which stated that distribution of dividends from profits accumulated from 1 January 2008, 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 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 arises from the temporary differences in fair value of investment property and depreciation of property, plant and equipment.

4Q2016 vs. 4Q2015 (3 months)

Revenue

The Group's revenue increased by RMB 29.4 million (or 14%) to RMB 234.6 million. The increase was due mainly to the increase in sales of the Zipper Slider segment (RMB 5.8 million), the Trading segment (RMB 25.6 million), and the Processing segment (RMB 1.2 million). The increase was partially offset by the decrease in revenue contributions from the Zipper Chain segment (RMB 3.9 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 for the Zipper Slider segment was mainly due to the increase in sales volume arising from the better quality achieved following the partial automation of plant and machinery in the production of zipper sliders.

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 decrease in sales order from customers.

The increase in revenue from the Trading segment was due to an increase in sales orders from customers during 4Q2016.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by RMB 0.9 million (or 7%) to RMB 12.2 million. The decrease in gross profit was due mainly to the gross loss in the Processing segment as a result of increase in overhead costs.

Average gross profit margin decreased by 1.2 percentage points to 5.2% due to the decrease in gross profit margin from the Zipper Slider segment in 4Q2016 as a result of increase in raw materials costs.

Other income and other expenses

Other income mainly comprised rental income and foreign exchange gains while other expenses represented impairment loss on investment properties. The net expenses represented the impairment loss on investment properties (RMB 37.0 million) which was partially offset by the foreign exchange gain of RMB6.5 million. The foreign exchange gain arose from the depreciation of RMB against USD and SGD in the Group's foreign currencies denominated bank balances and from the translation of HK dollar denominated balances owing from subsidiaries in the Company's book due to depreciation of RMB against HK dollar.

Selling and distribution expenses

Selling and distribution expenses decreased by RMB 0.9 million (or 44%) to RMB 1.2 million as a result of decrease in staff costs due to a leaner sales force.

General and administrative expenses

General and administrative expenses increased by RMB 28.4 million (or 117%) to RMB 52.6 million. This was mainly due to the allowance for doubtful other receivables of RMB 16.0 million, and written off of plant and equipment of RMB 16.4 million.

The Company had written off its spare plant and machineries, having successfully installed its automation machineries in FY2016.

As at 31 December 2016, the provision for doubtful other receivables referred to debts more than 6 months provided for Qingdao HS which amounted to RMB16.0 million. Please refer to page 6 Note B for details.

Finance income and expenses

Finance expenses decreased by RMB 1.3 million (or 27%) to RMB 3.7 million. This was attributable to the decrease in interest rate. Finance income decreased by RMB 0.1 million to RMB 0.2 million as a result of decrease in interest rate.

Tax expense

	Group		
	3 months Ended 31/12/2016 Unaudited	**3 months Ended 31/12/2015 Unaudited**	**Increase/ (Decrease)**
	RMB'000	**RMB'000**	**%**
Current tax[1]	657	905	(27)
Deferred tax[2]	42	40	(5)
Deferred tax[3]	-	1,255	NM
Tax expense	699	2,200	(68)

Notes:

[1] Current tax decreased by RMB 0.7 million or 27% due to a decrease in taxable profit before taxation in 4Q2016.

[2] On 22 February 2008, the State Administration of Taxation of China issued a circular Caishui 2008 No.001, which stated that distribution of dividends from profits accumulated from 1 January 2008, 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 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 arises 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 2016, non-current assets amounted to RMB 747.5 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 241.3 million, a decrease of RMB 43.8 million compared to RMB 285.2 million as at 31 December 2015. The decrease was due mainly to depreciation expenses and written off of spare plant and machineries.

As at 31 December 2016, the investment property 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 property under FRS40. The increase in investment property was due to the recognition of the construction costs incurred which was partially offset by the fair value loss on

investment property of RMB 37.0 million arising from an independent valuation of the investment property by independent valuer.

The decreases in land use rights and intangible assets were due mainly to the amortization expenses.

The prepayment balance in FY2016 represented the deposits paid for purchases of machinery.

Current assets

As at 31 December 2016, current assets amounted to RMB 691.5 million, a decrease of 10.5% (RMB 81.4 million) compared to RMB 772.9 million as at 31 December 2015. This was due largely to the decrease in cash and bank balances.

The Group retained inventories of 2 months' raw materials to satisfy the production requirement for 1Q2017.

Trade and other receivables decreased by RMB 9.2 million from RMB 280.5 million to RMB 271.3 million due to an increase in allowance for doubtful trade receivables as a result of longer credit period request from some customers.

The increase in prepayments to suppliers by RMB 8.7 million (or 13%) to RMB 73.7 million was due mainly to the increase 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 a certain percentage of the total contract price.

Cash and bank balances decreased from RMB 328.6 million to RMB 248.8 million was due mainly to the settlement of withholding tax on distribution of dividends from profits accumulated from 1 January 2008 and also settlement of construction cost of the investment property.

Current liabilities

As at 31 December 2016, total current liabilities were RMB 778.6 million, an increase of 13% (or RMB 87.1 million) compared to RMB 691.5 million as at 31 December 2015. This was mainly attributable to the increase in bills payables to banks, short-term loans, bank overdrafts, other payable and accruals, which was partially offset by the decrease in trade payables.

Trade payables decreased by RMB 1.1 million due mainly to the usage of bills payables to bank for settlement of some trade payables in 4Q2016.

The other payables and accruals increased by RMB 27.2 million to RMB 253.0 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 48.1 million (or 16%) to RMB341.3 million due to proceeds from new banking for working capital, 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 decrease in deferred tax liabilities was due mainly to the settlement of withholding tax as explained above under the note for tax expense.

CASH FLOW

Operating activities
Net cash flows generated from operating activities in FY2016 amounted to RMB 15.2 million compared to RMB 46.5 million in FY2015. For 4Q2016, net cash flows generated from operating activities amounted to RMB 26.3 million compared to RMB 70.8 million in 4Q2015.

This was due mainly to the higher increase in prepayments to suppliers and the smaller decrease in inventories in both FY2016 and 4Q2016.

Investing activities
Net cash flows used in investing activities in FY2016 amounted to RMB 135.9 million compared to RMB 76.5 million in FY2015; and net cash flows used in investing activities in 4Q2016 amounted to RMB 21.5 million compared to RMB 32.3 million in 4Q2015. This was mainly due to the RMB 136.5 million construction cost of the investment property in FY2016 compared to RMB71.8 million in FY2015 while in 4Q2016 it was RMB 20.2 million construction cost compared to RMB34.3 million in 4Q2015. The increase in construction cost in FY2016 was mainly due to the higher progressive payments made in the final stages of construction progress and renovation works.

Financing activities
Net cash flows generated from financing activities in FY2016 amounted to RMB 39.9 million compared to RMB 71.6 million in FY2015, and for 4Q2015, the amount was RMB 22.0 while net cash flows used in financing activities in 4Q2016 amounted to RMB 13.3 million. This was due mainly to higher net cash inflow from short-term bank loans and banking facilities in FY2015 and 4Q2015, please refer page 3 for further information.

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 4Q2016 and FY2016 is in line with the commentary made in item 10 of the Company's results announcement dated 10 November 2016.

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.

The Group continues to operate under a highly competitive environment as the zipper industry in the PRC faces intense competition with razor thin profit margins.

In addition, the slowing down of economic growth in the PRC, uncertainties for export sales, cost pressures arising from rising production costs will affect the Group's operating outlook for the next twelve months.

In view of the challenging business environment, the Group will strive to keep a tight rein over the operating costs and monitor its receivables and collections closely.

Update on construction progress of the Company's Xiamen Headquarters ("HQ Project")

As of to-date, the HQ Project is approximately 99% completed. After the completion of the repair works caused by the "Mereanti Super Typhoon", the decoration work for the HQ Project had re-commenced. The HQ Project is on schedule to complete by the second quarter of 2017. Upon completion, the Group will lease part of the office building for rental income.

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.

14. Confirmation that the issuer has procured undertakings from all of its directors and executive officers (in the format set out in Appendix 7.7)

The Company hereby confirms that it has procured undertakings from all of its directors and executive officers under Rule 720(1) of the Listing Manual.

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

15. 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 2016**	**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	264,541	94,879	428,469	44,457	-	-	832,346
Inter-segment sales	1,483	8,722	-	20,128	-	(30,333)	-
Total revenue	266,024	103,601	428,469	64,585		(30,333)	832,346
Results:							
Segment gross profit	28,062	10,134	9,287	1,332	-	-	48,815
Segment results	(19,712)	(11,611)	9,775	(15,901)	(26,997)	-	(64,446)
Finance income	1,817	213	13	8	4	-	2,043
Finance expense	(8,879)	-	(3,559)	(1,737)	-	-	(14,176)
Loss before income tax							(76,579)
Tax expenses							(3,108)
Net loss attributable to shareholders							(79,687)
Other segment information							
Impairment loss on investment properties	-	-	-	-	37,033	-	37,033
Depreciation and amortization	19,319	3,783	3	12,298	2	-	35,405
Provision for social security contribution	797	(342)	-	(815)	-	-	(360)
Written off of PPE	5,378	6,056	-	4,934	-	-	16,368
Total assets	**529,624**	**111,394**	**161,634**	**156,727**	**479,581**	**-**	**1,438,960**
Capital expenditure for property, plant and equipment	536	522	2	16,964	-	-	18,023
Total liabilities	**(276,860)**	**(56,752)**	**(124,776)**	**(133,570)**	**(218,326)**	**-**	**(810,284)**
31 December 2015	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Revenue:							
Sales to external customers	297,219	84,876	276,307	43,691	-	-	702,093
Inter-segment sales	4,709	11,490	-	24,007	(40,206)	-	-
Total revenue	301,928	96,366	276,307	67,698		(40,206)	702,093
Results:							
Segment gross profit	33,113	8,110	6,704	197	-	-	48,124
Segment results	4,827	(3,729)	6,506	(19,084)	10,020	-	(1,460)
Finance income	1,253	357	-	17	138	-	1,765
Finance expense	(7,152)	-	(2,916)	(1,795)	(2,000)	-	(13,863)
Loss before income tax							(13,558)
Tax expenses							(3,667)
Net loss attributable to shareholders							(17,225)

Other segment information							
Fair value gains on investment properties	-	-	-	-	7,021	-	7,021
Depreciation and amortization	20,816	4,758	4	13,351	5	-	38,934
Provision for social security contribution	(285)	(155)	-	872	-	-	432
Inventory written off	-	902	-	1,054	-	-	1,956
Written off of PPE	-	4,506	-	765	-	-	5,271
Total assets	**681,924**	**119,045**	**130,272**	**157,168**	**379,608**	**-**	**1,468,017**
Capital expenditure for property, plant and equipment	851	593	6	3,001	-	-	4,451
Total liabilities	**(259,725)**	**(68,448)**	**(98,745)**	**(114,275)**	**(211,334)**	**-**	**(752,527)**

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	
	2016	**2015**	**2016**	**2015**
	RMB'000	RMB'000	RMB'000	RMB'000
People's Republic of China	403,877	425,786	747,486	695,141
Hong Kong	428,469	276,307	4	5
	832,346	702,093	747,490	695,146

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.

16. 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.

17. A breakdown of sales.

	Group		
	FY2016	**FY2015**	**Increase/ (decrease)**
	RMB'000	**RMB'000**	**%**
(a) Sales reported for first half year	376,769	314,986	20
(b) Operating loss after tax before deducting minority interests reported for first half year	(12,127)	(11,060)	10
(c) Sales reported for second half year	455,577	387,107	18
(d) Operating profit / (loss) after tax before deducting minority interests reported for second half year	(67,560)	(6,165)	996

NM: Not Meaningful

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

	31 December 2016	**31 December 2015**
Ordinary	-	-
Preference	-	-
Total:	-	-

19. 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(13) 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	28	Son of Mr Hong Qing Liang – 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

23 February 2017