FUXING CHINA GROUP LIMITED

(Incorporated in Bermuda)
(Company Registration No.:38973)

RESPONSES TO QUERIES FROM SGX-ST

The Board of Directors of Fuxing China Group Limited (the "Company" or together with its subsidiaries, the "Group") refers to the Group's results announcement for the financial period ended 30 June 2022 ("1H2022") (the "Results Announcement") released to SGX-ST via SGXNet on 12 August 2022.

The following information is in response to the SGX-ST's queries dated 22 August 2022:

1. **We note from page 16 that the Group's other receivables had increased by RMB 12.936m from RMB 6.947m as at 31 December 2021 to RMB 19.883m as at 30 June 2022. Please disclose:**
   - **(i) the breakdown of the Group's other receivables;**
   - **(ii) the underlying transactions of the other receivables, the terms of the transactions, the terms of payment, and whether this was incurred in the ordinary course of business;**
   - **(iii) the ageing profile of the Group's other receivables in bands of 3 months;**
   - **(iv) whether these outstanding amounts are owing from related parties. If yes, to provide details and quantify; and**
   - **(v) the Board's assessment on the recoverability of the Group's other receivables, and the basis for such an assessment.**

Company's response:

(i),(ii)&(iii)

Breakdown and aging of other receivables are as follows:

	Within 3 months RMB'000	3 to 6 months RMB'000	More than 6 months RMB'000	Total RMB'000	Notes
晋江金泉环保有限公司	1,020	3,400	5,780	10,200	<a>
VAT receivables on purchases	1,663	-	5,703	7,366	<b>
Others	2,317	-	-	2,317	<c>
Total	5,000	3,400	11,483	19,883	

Notes:

a) The amount represented the down payment paid for one sewerage engineering project for the processing segment to improve the sewage water discharge process so as to comply with the stringent environmental laws. This was incurred in the ordinary course of business on normal commercial terms. Upon completion of the project, the amount will be expensed off to the profit and loss, thus the recoverability assessment is not applicable.

b) The amount represented VAT receivables on purchases for the zipper segment. This was incurred in the ordinary course of business on normal commercial terms. The amount will be net off against the VAT payables on sales, thus the recoverability assessment is not applicable.

c) Others represented rental income receivables, prepayment for purchase of consumable materials (eg. packing materials) and VAT receivables for purchases of raw materials from third parties. All were incurred in the ordinary course of business on normal commercial terms.

Rental income receivables of RMB1.089 million from the leasing of extra factory space is expected to be recovered in the third quarter of 2022. Prepayment made for purchase of consumable materials will be utilized as purchases upon receipt of the consumable materials, thus the recoverability assessment is not applicable. VAT receivables will be net off against VAT payables on sales, thus the recoverability assessment is not applicable.

(iv) These outstanding amounts are not owing from related parties.

(v) The recoverability of the other receivables is explained under the above notes (a) to (c). The recoverability assessments are dependent on the nature of the underlying transactions.

FOR AND ON BEHALF OF THE BOARD

Hong Qing Liang
Executive Chairman and Chief Executive Officer
24 August 2022