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 Annual Report for the financial year ended 31 December 2022 ("FY2022") (the "Annual Report") issued on 21 August 2023.

The following information is in response to the SGX-ST's queries dated 28 August 2023:

We note from page 28 that the Group outsourced its internal audit ("IA") function to Xiamen De Cheng Accounting Co. Ltd ("Xiamen De Cheng"). In this regard:

(a) Please provide specific details of the size, experience, resources and track record of Xiamen De Cheng. In your response, please include: (i) the qualifications, experience and track record of the IA Partner; (ii) whether he/she is a member of any professional body for internal auditors and if so, please provide the relevant details; and (iii) the experience and track record of the professionals involved in the IA function of the Group.

(b) Please disclose whether Xiamen De Cheng has prior experience in providing IA services to listed entities in the PRC and elsewhere, as well entities of similar industry and size of operations as the Company. Please provide a list of such entities along with the engagement periods; and

(c) Please disclose whether the IA standards applied by Xiamen De Cheng comply with the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

Company's response:

(a) Xiamen Decheng was restructured from Jinjiang Certified Public Accountants Co., Ltd. which was established in 1990 and under Jinjiang Finance Bureau. It obtained the practicing certificate of Certified Public Accountant ('**CPA**") that was approved by Fujian Provincial Department of Finance on 20 January 2000. In August 2023, the firm moved to Quanzhou city and changed its name to Quanzhou Decheng United Accounting firm ("Quanzhou Decheng"). Currently, the firm has 29 staff, out of which 6 are CPA whereby 3 are partners, and 23 staff in the internal and external audit and finance support functions. It is engaged in the provision of accounting and internal and external audit, asset valuation, financial advisory and tax consulting services to its various customers in various industries of manufacturing, investment, real estate etc. Its internal audit

department has served listed entities in the PRC, as shown under the table in (b) below. Its external audit department's current client profile includes china subsidiaries of entities listed in PRC and Hong Kong as follows:

1) 厦门禹洲集团，part of 禹洲集团控股有限公司 listed in Hong Kong, stock code 01628.HK
2) 厦门建发, part of 建发股份 listed in Shanghai, stock code: 600153.SH
3) 厦门太平货柜制造有限公司, part of Singamas Group listed in Hong Kong, stock code: 0716.HK

(I) The partner who signed the IA report, Mr Ke Jianming, is the chief auditor of Quanzhou Decheng. He obtained his qualification as senior auditor in Fujian Province in 2003. Since 1991, he has been engaged in the CPA profession for 32 years, mainly engaged in auditing (including internal control audit), asset valuation, financial due diligence, financial advisory and guidance for listing exercises etc. With his wealth of more than 30 years of experience in internal and external audit through the various audit assignments he was engaged in, he has demonstrated his professional competency in the audit field.

(II) He is not a member of any professional body for internal auditors. But as PRC registered CPA, he is qualified to sign IA reports. In addition, he has accumulated extensive internal audit working experiences from the various internal audit assignments he was engaged in over the years.

(III) The experience and track record of the professionals involved in the IA function of the Group are as follows:

1) <u>Mr Qiu Yongsheng</u>

PRC registered CPA. Audit manager of the audit department I of Quanzhou Decheng. He has been engaged in the CPA industry for 18 years since 2005, mainly engaged in audit (including internal control audit), assets evaluation, financial due diligence, and financial advisory. With his rich experience and professional knowledge, he has demonstrated his professional competency in the audit field.

2) <u>Ms Zeng Jinglian</u>

PRC registered CPA. Audit manager of the audit department II of Quanzhou Decheng. She has been engaged in the CPA industry for 23 years since 2000, mainly engaged in the audit (including internal control audit), assets evaluation, financial due diligence, financial advisory. With her rich experience and professional knowledge, she has demonstrated his professional competency in the audit field.

3) Ms Xu Danni

Auditor. Staff member of the audit department of Quanzhou Decheng. She has been engaged in the CPA industry for 10 years since 2013, mainly engaged in auditing (including internal control audit), asset evaluation, financial due diligence, financial advisory.

4) Ms Ye Zhenzhen

Auditor. Staff member of the audit department of Quanzhou Decheng. She has been engaged in the CPA industry for 12 years since 2011, mainly engaged in auditing (including internal control audit), asset evaluation, financial due diligence, financial advisory.

(b) Past internal audit track record as follows:

Period of engagement	**Company's name**	**Company's profile**
(i) Listed entities in the PRC		
Current: From 2016 till now	福建省百川资源再生科技股份有限公司	Listed on the Bejing Stock Exchange, stock code:835634
Past: From 2013 to 2017	福建省夜光达反光材料股份有限公司	Listed on the Bejing Stock Exchange, stock code:838321
ii) Not listed, entities of similar industry and size of operations as the Company		
From 2012 to 2019	福建省希源纸业有限公司	It is a large-scale paper products industrial company, specializing in the production of paper products and is one of the largest paper products manufacturing and research and development company in Fujian Province.

(c) The Company has checked with Quanzhou Decheng and Quanzhou Decheng has confirmed to the Company that the IA standards applied by Quanzhou Decheng for its internal audit of the Company are in compliance with the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

FOR AND ON BEHALF OF THE BOARD

Hong Qing Liang
Executive Chairman
31 August 2023