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

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2007.

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 Income Statement for FY2007 ended 31/12/2007. These figures have not been audited.

	Group		
	RMB'000		%
	Year Ended 31/12/2007	Year Ended 31/12/2006	Increase/ (Decrease)
Revenue	883,948	716,412	23.39%
Cost of sales	(576,234)	(475,096)	21.29%
Gross profit	307,714	241,316	27.51%
Other income	4,382	1,017	NM
Selling and distribution expenses	(3,048)	(2,735)	11.44%
General and administrative expenses	(10,145)	(13,070)	-22.38%
Other expenses	(504)	(12)	NM
Profit from operating activities	298,399	226,516	31.73%
Interest income	932	456	NM
Interest expenses	(6,982)	(7,788)	-10.35%
Foreign Exchange Loss	(15,818)	–	NM
Other financial expenses	(95)	–	NM
Profit before taxation	276,436	219,184	26.12%
Tax expense	(79,413)	(63,575)	24.91%
Net profit attributable to shareholders	197,023	155,609	26.61%

Note:The Group's profit before taxation is determined after (charging)/crediting the following items:			
Government grants and subsidy	4,382	1,017	NM
Write back/ (Allowance for doubtful trade receivables)	7,447	(7,054)	NM
Depreciation of property, plant and equipment	(14,714)	(13,962)	5.39%
Salaries and bonuses	(32,580)	(21,456)	51.85%
Directors' fees	(575)	–	NM
Interest income	932	456	NM
Interest expenses	(6,982)	(7,788)	-10.35%
Foreign Exchange Loss	(15,818)	–	NM

NM: Not meaningful.

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	
	Unaudited 31/12/2007	Audited 31/12/2006	Unaudited 31/12/2007	Audited 31/12/2006
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	128,250	107,382	–	–
Land use rights and software	780	521	–	–
Investments	–	–	344,853	8
Current assets				
Inventories	48,990	37,333	–	–
Trade receivables	293,099	261,811	–	–
Other receivables and advances to suppliers	284,085	84,090	–	4,760
Amount due from related company (trade)	–	10,640		–
Amount due from a subsidiary (non-trade)	–	–	437,093	–
Amount due from a director (non-trade)	–	320		–
Bank deposits (pledged)	3,010	21,227	–	–
Cash and bank deposits	449,603	93,179	3,079	–
	1,078,787	508,600	440,172	4,760
Current liabilities				
Trade payables	(28,796)	(20,209)	–	–
Other payables & accruals	(46,264)	(20,630)	(7,920)	(3,513)
Bills payable to banks	(38,000)	(70,514)	–	–
Short-term bank loans	(81,100)	(129,100)	–	–
Amount due to related companies (trade)	–	(3,417)	–	–
Amount due to related companies (non-trade)	–	(157)	-	–
Amount due to subsidiaries (non-trade).	–	–	(2,390)	(8)
Amount due to directors (non-trade)	(4,191)	–	(4,181)	(1,407)
Provision for income tax	(34,155)	(27,623)	–	–
	(232,506)	(271,650)	(14,491)	(4,928)
Net current assets/(liabilities)	846,281	236,950	425,681	(168)
Net assets/(liabilities)	975,311	344,853	770,534	(160)
Equity attributable to equity holders of the company				
Share capital	(738,715)	(226,967)	(738,707)	–
Contributed Surplus	(39,573)	–	(39,573)	–
Accumulated (profits)/ losses	(197,023)	(80,061)	7,746	160
Reserve fund	–	(37,825)	–	–
Total equity	(975,311)	(344,853)	(770,534)	160

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 2007		As at 31 December 2006	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
119,100	--	189,614	10,000

Amount repayable after one year

As at 31 December 2007		As at 31 December 2006	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
--	--	--	--

Details of any collateral

As at 31 December 2007, the Group has total secured short-term bank loans of RMB 81.1million and bank's bills payable of RMB 38million. All the outstanding borrowings are secured by mortgage charge on the Group's property, corporate guarantee or personal guarantee provided by our executive director and his spouse jointly.

1(c) A cash flow statement for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

RMB'000	FY2007	FY2006
Profit before taxation	**276,436**	**219,184**
Adjustments:		
Depreciation of Property, Plant and Equipment	14,714	13,962
Amortisation of land use rights and software	57	18
(Write back of allowance for doubtful debts)/ Allowance for doubtful debts	(7,447)	7,054
Interest expense	6,982	7,788
Interest income	(932)	(456)
Operating Profit Before Working Capital Changes	289,810	247,550
(Increase) Decrease in:		
Inventories	(11,657)	(16,351)
Trade receivables	(23,840)	(38,311)
Other receivables & prepayments	(199,995)	(40,129)
Due from related parties (trade)	10,640	(1,133)
Due from related parties (non-trade)	-	13,150
Due from a director	320	(320)
Increase (Decrease) in:		
Trade payables	8,587	7,356
Other payables & accruals	25,635	(12,807)
Due to related parties (non-trade)	(157)	(17,721)
Due to related parties (trade)	(3,417)	542
Due to directors	4,191	(26,129)
CASH GENERATED FROM OPERATING ACTIVITIES	100,117	115,697
Interest expense paid	(6,982)	(7,788)
Interest income received	932	456
Income tax paid	(72,882)	(48,159)
Net Cash From Operating Activities	21,185	60,206
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(35,582)	(2,884)
Purchase of software	(317)	(135)
Net Cash Used In Investing Activities	(35,899)	(3,019)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of shares	433,435	-
Proceeds from short-term bank borrowings	80.514	158,000
Repayments of short-term bank borrowings	(138,000)	(146,900)
Proceeds from bills payable	130,800	182,279

Repayment of bills payable	(163,314)	(159,165)
Decrease (Increase) in fixed deposits pledged to banks	18,217	(10,597)
Net Cash From Financing Activities	371,138	23,617
NET INCREASE IN CASH & CASH EQUIVALENTS	**356,424**	**80,804**
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	**93,179**	**12,375**
CASH & CASH EQUIVALENTS AT END OF YEAR	**449,603**	**93,179**

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	Share premium	Reserve fund	Contributed Surplus	Accumulated (profits)/losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group						
At 1 January 2007	226,967	0	37,825	0	80,061	344,853
Issuance of new ordinary shares pursuant to the IPO	179,461	364,105	(37,825)	39,573	(80,061)	465,253
Share issue expenses	0	(31,818)	0	0	0	(31,818)
Transfer of Share Premium to Share Capital	332,287	(332,287)	0	0	0	0
Net profit for the year	0	0	0	0	197,023	197,023
At 31 December 2007	738,715	0	0	39,573	197,023	975,311
At 1 January 2006	226,967	0	23,062	0	(60,785)	189,244
Net profit for the year	0	0	0	0	155,609	155,609
Appropriation to reserve fund			14,763		(14,763)	0
At 31 December 2006	226,967	0	37,825	0	80,061	344,853
Company						
At 1 January 2007	0	0	0	0	(160)	(160)
Issuance of new ordinary shares pursuant to the IPO	406,420	364,105	0	39,573	0	810,098
Share issue expenses	0	(31,818)	0	0	0	(31,818)
Transfer of Share Premium to Share Capital	332,287	(332,287)	0	0	0	0
Net profit for the year	0	0	0	0	(7,586)	(7,586)
At 31 December 2007	738,707	0	0	39,573	(7,746)	770,534
At 1 January 2006						
Net profit for the year	0	0	0	0	(160)	(160)
At 31 December 2006	0	0	0	0	(160)	(160)

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.

	Number of shares	S$
Issued ordinary shares as at 2 Oct 2006,following the incorporation of our Company	20,000	NIL
Sub-Division	200,000	NIL
Issue of ordinary shares pursuant to the Restructuring Exercise	599,800,000	60,000,000
New shares issued pursuant to the invitation (Net of IPO Expenses)	200,000,000	85,701,747
Issued and paid-up Capital after the invitation	800,000,000	145,701,747

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 December 2007	31 December 2006
Total number of issued shares	800,000,000	20,000

The Company has no treasury shares as at 31 December 2007 and 31 December 2006.

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.

Not applicable.

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 Group and the Company have adopted the same accounting policies and methods of computation in the financial statements for FY2007 with those of the audited combined financial statements as at 31 December 2006.

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.**

Not applicable.

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.

	Group	
	31/12/2007	31/12/2006
Earnings per ordinary share of the group, after deducting any provision for preference dividends (in RMB cents):		
(a) Basic and	0.30	0.26
(b) On a fully diluted basis	0.30	0.26

Note: The computation is based on weighted average number of shares issued in 2007 : 647,000,000 ordinary shares (2006 : 600,000,000 ordinary shares).

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.

	Company		Group	
	31/12/2007	31/12/2006`	31/12/2007	31/12/2006
Net asset value per ordinary share based on issued share capital at the end of (in RMB cents):	0.96	N.A.	1.22	0.57

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.

Revenue

Our revenue increased by 23.39% or RMB167.54 million from RMB716.41 million in FY2006 to RMB883.95 million in FY2007. The increase in revenue was mainly due to increases in sales from our zipper sliders segment and zipper chains segment.

Revenue from the zipper sliders segment increased by 30.34% or RMB86.18 million from RMB284.05 million in FY2006 to RMB370.23 million in FY2007 mainly a result of an increase in the average selling price of our zipper sliders. Revenue from the zipper chains segment increased by 18.82% or RMB81.36 million from RMB432.36 million in FY2006 to RMB513.72 million in FY2007. This is a result of a change in focus from zipper chains to the finished zippers.

Gross profit and gross profit margin

Gross profit increased by 27.51% or RMB66.40 million from RMB241.32 million in FY2006 to RMB307.71 million in FY2007 in line with the increase in revenue.

Overall gross profit margin increased by 1.13% from 33.68% in FY2006 to 34.81% in FY2007. This increase in the overall gross profit margin was contributed by:

(a) an increase in the gross profit margin of our zipper sliders segment from 27.29% in FY2006 to 29.14% in FY2007. This increase in gross profit margin was a result of an increase in the average selling price of our zipper sliders by 22.58% in FY2007 which was partially offset by an increase of 19.62% in the average cost of zinc, the main raw material used in the production of zipper sliders

(b) an increase in the gross profit margin of our zipper chains segment from 37.89% in FY2006 to 38.90% in FY2007. This increase in the gross profit margin was a result of the marginal increase in the average selling price.

Other operating income

Other operating income increased by RMB3.36 million in FY2007. This increase was mainly due to receipts of government grants and subsidies which amounted to RMB4.38 million as compared to the receipts of RMB1.02 million in FY2006.

Selling and distribution expenses

Selling and distribution expenses increased by 11.44% or RMB0.31 million from RMB2.74 million in FY2006 to RMB3.05 million in FY2007. The main reason for the increase was an increase in sales staffs' salaries and transportation cost.

General and administrative expenses

General and administrative expenses decreased by 22.38% or RMB2.92 million from RMB13.07 million in FY2006 to RMB10.15 million in FY2007, mainly as a result of a write back in the provision for doubtful debts of RMB7.45 million in FY2007 compared to a provision of RMB7.05 million made in FY2006. The decrease in doubtful debts was, however, offset by performance bonuses of RMB3.34 million payable to a director, directors' fees of RMB0.58 million and professional fees of RMB2.50 million. In addition, staff related costs increased by RMB3.52 million arising from increase in business activities during FY2007. There was also an increase in depreciation by RMB0.75 million as new office equipment and motor vehicles were acquired in FY2007.

Other Expenses

Other expenses increased by RMB0.49 million from RMB0.01 million in FY2006 to RMB0.50 million in FY2007. The increase was due to a donation of RMB0.5 million made in September 07 to a charity event organized by Singapore Exchange Limited ("SGX").

Net financial expenses

Net financial expenses decreased by 17.46% or RMB1.28 million from RMB7.33 million in FY2006 to RMB6.05 million in FY2007. This was mainly due to a decrease in interest expense by RMB0.81 million following repayment of short-term bank loans and interest bearing bills payable during FY2007. An increase in interest income from bank balances by RMB0.48 million further reduced net financial expenses.

Foreign exchange loss

Our IPO proceeds were remitted from Singapore to our Hong Kong bank account in September 2007. The exchange loss of RMB15.82 million was a result of the depreciation of the Hong Kong dollar against the China RMB.

Income tax

Income tax increased by 24.91% or RMB15.83 million from RMB63.58 million in FY2006 to RMB79.41 million in FY2007 in line with the increase in the profit before tax.

FINANCIAL POSITION
Non-current assets

As at 31 December 2007, our non-current assets amounted to RMB129.03 million which comprised property, plant and equipment, motor vehicles, office equipment as well as intangible assets such as land use rights and computer software.

The carrying amount of non-current assets increased by RMB21.13 million in FY2007. This was due to addition of plant, machinery, motor vehicles, office equipment and construction etc.

Current assets

As at 31 December 2007, our current assets increased by 112.11% to RMB1,078.79 million. Inventories, trade and other receivables advances to suppliers increased by an aggregate sum of RMB242.94 million. The increases were in line with the expansion of production capacity for finished zippers which required higher working capital to be deployed.

Pursuant to the IPO listing in September 2007, cash and bank balances increased to RMB449.60 million as of 31 December 2007, an increase of RMB352.46 million for FY2007. In addition, we have bank deposits of RMB3.01 million which were pledged to banks for banking facilities granted to our Group.

Current liabilities

As at 31 December 2007, our current liabilities amounted to RMB232.51 million which was 14.41% or RMB39.14 million lower than FY2006. The decrease was due to the discharge of interest bearing loans amounting to RMB48.00 million and bills payable to banks amounting to RMB32.51 million. The total decrease of RMB75.55 million was partially offset by the increase in trade payables, other payables, accruals and tax payable in an aggregate sum of RMB40.75 million.

Outstanding amounts of RMB3.57 million due to related parties had been settled in FY2007.

CASH FLOW

Our cash and cash equivalents increased by RMB356.42 million in FY 2007 compared to RMB80.81 million in FY2006. This was due to the collection of proceeds of RMB433.44 million from the issue of new shares and net cash flows of RMB21.18 million generated from business operations. The increase in cash and cash equivalents were partially offset by the discharge of loans and bill payables of RMB80.51 million as well as purchase of property, software, plant and equipment of RMB35.90 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement had been disclosed to shareholders previously.

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.

Update of :

(1) New weaving machines installed at existing Jinjiang plant

The Group has completed the installation of new weaving machines at its existing plant in Jinjiang city to support the finished zipper assembly line. With this newly added capacity, the Group has increased its FY2007 zipper chain production capacity by 6% to 22.7 million kg per year. This will expect to increase the sales for finished zippers and zipper chain.

(2) Qingdao plant

In January 2008, the Group has commenced trial commercial production of finished zippers in its new Qingdao plant, which has been set up for customers in the northern region of the PRC. The plant houses 113 sets of machinery and has an annual production capacity of 70 million pieces of finished zippers. The Group believes that the demand for finished zipper products is expected to be strong as many well-known local manufacturers are located around that area.

(3) New factory in Jinjiang City

The Group is constructing a new factory within its existing premises in Jinjiang City to focus on the production of finished zippers. The newly factory is expected to be completed and operational by the end of 2Q FY2008.The Group's FY2007 zipper chain production capacity will be raised by 19.0% on an annualised basis.

(4) New production facility in Shanghai

The Group is in the midst of acquiring a ready factory premise in Shanghai to produce finished zippers. The acquisition is estimated to be completed by the end of 1Q FY2008 and installation of machines and trial run will commence thereafter. The Group expects to start commercial production at its Shanghai plant by the end of 2Q FY2008.

(5) New sales offices in Xiamen and Shanghai

The Group has recently set up a sales office in Xiamen.This represents its second sales office, after Hong Kong, which has commenced operations in October 2007.

Driven by the government's efforts to promote higher local consumption, demand for zipper products is expected to continue on an upward trend. The Group believes that it is well-positioned to benefit from the growth in the industry because of its large scale, fully integrated operations, and high quality zipper products.

The Group is one of the few vertically integrated manufacturers in the PRC, with the capacity and capital to produce the full range of zipper products, from upstream zipper components such as zipper chain and sliders to downstream products such as finished zippers.

Moving ahead, the Group's focus is moving up the value chain to expand its production capacity for better margins finished zippers and zipper products.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The Board of Directors is pleased to proposed a dividend of RMB0.05 per share in respect of FY2007. The dividend is subject to the approval by shareholders at the forthcoming AGM to be announced.

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in RMB)	RMB0.05
Tax Rate	Not Applicable

(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

To be announced later

(d) Books closure date

To be announced later

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

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

13. 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	**Zipper** RMB '000	**Dress** RMB '000	**Corporate** RMB '000	**Elimination** RMB '000	**Total** RMB '000
31 December 2006					
Revenue					
Sales to external customers	432,358	284,054	-	-	716,412
Inter-segment sales	-	1,391	-	(1,391)	-
Total revenue	432,358	285,445	-	(1,391)	716,412
Results					
Segment gross profit	163,805	77,511	-	-	241,316
Segment results	153,704	72,972	(160)	-	226,516
Financial income					456
Financial expense					(7,788)
Profit before taxation					219,184
Tax expense					(63,575)
Net profit attributable to shareholders					155,609
Other segment information:					
Depreciation and amortisation					13,980
Other significant non-cash expense - (Write back) / Allowance for doubtful trade receivables					7,054

Group	**Zipper** RMB '000	**Dress** RMB '000	**Corporate** RMB '000	**Elimination** RMB '000	**Total** RMB '000
31 December 2007					
Revenue					
Sales to external customers	513,718	370,230	-	-	883,948
Inter-segment sales	-	5,326	-	(5,326)	-
Total revenue	513,718	375,556	-	(5,326)	883,948
Results					
Segment gross profit	199,817	107,897	-	-	307,714
Segment results	192,634	113,395	(7,630)	-	298,399
Financial income					932
Financial expense					(6,982)
Foreign exchange Gain / (Loss)					(15,818)
Other financial expenses					(95)
Profit before taxation					276,436
Tax expense					(79,413)
Net profit attributable to shareholders					197,023
Other segment information:					
Depreciation and amortisation					14,771
Other significant non-cash expense - (Write back) / Allowance for doubtful trade receivables					(7,448)

The following table presents certain assets, liabilities, and other information regarding the Group's business segments as at 31 December 2006 and 2007:

Group	**Zipper** RMB '000	**Dress** RMB '000	**Corporate** RMB '000	**Elimination** RMB '000	**Total** RMB '000
31 December 2006					
Assets and liabilities:					
Segment assets	431,375	235,386	4,778	(55,036)	616,503
Segment liabilities	(71,094)	(93,931)	(4,938)	55,036	(114,927)
Unallocated liabilities					(156,723)
					(271,650)
Other segment information:					
Capital expenditures					
- Property, plant and equipment	1,816	1,068	-	-	2,884
- Land use rights and software	135	-	-	-	135

Group	**Zipper** RMB '000	**Dress** RMB '000	**Corporate** RMB '000	**Elimination** RMB '000	**Total** RMB '000
31 December 2007					
Assets and liabilities:					
Segment assets	654,094	388,676	667,823	(502,776)	1,207,817
Segment liabilities	(36,567)	(131,856)	(14,500)	65,673	(117,250)
Unallocated liabilities					(115,256)
					(232,506)
Other segment information:					
Capital expenditures					
- Property, plant and equipment	35,582	-	-	-	35,582
- Land use rights and software	317	-	-	-	317

14. 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.

15. A breakdown of sales.

	FY2007 RMB '000	FY2006 RMB'000	% increase/ (decrease)
	Group	Group	Group
(a) Sales reported for first half year	429,199	348,005	23.33
(b) Operating profit after tax before deducting minority interests reported for first half year	118,799	79,915	48.66
(c) Sales reported for second half year	454,749	368,407	23.44
(d) Operating profit after tax before deducting minority interests reported for second half year	78,224	75,694	3.34

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

	31 December 2007	31 December 2006
Ordinary	RMB40 million	0
Preference	0	0
Total:	RMB40 mIllion	0

17. Status of applications for the Land Used Right and building ownership certificates relating to Land 1 and Land II

There has been no change in the status of applications for the land use right and building ownership certificates since last reported in the 3rd quarter results ended 30 September 2007.

For Land I, the application for land use right has been accepted by the Jinjiang State Owned Land Resource Bureau. On 25 of September 2007, Jinjiang State Owned Land Resource Bureau issued a directive to the Groupto pay a fee of approximately RMB4.0 million for the change of the land use purpose from agriculture land to industrial land. The official land use right will be granted within 2 weeks from the date of signing the relevant change of land use document and payment date.

For Land II, the application for the land use right has been submitted to the Jinjiang City Government upon our payment for the 30% deposit in March 2007. The application is still pending approval by the Fujiang Provincial Government before sending to Jinjiang State Owned Land Resource Bureau for final processing.

Notes:

Land I and II – as defined in the “Risk Factors” section of the Company’s prospectus dated 13 September 2007

Land I : refers to the adjoining land to the Group’s premises currently used for its factory, warehouse office and accommodation

Land II : refers to a new site to be used for the setting up of its head office in Jinjiang City

18. Use of IPO proceeds

As at 31 December 2007, an approximate sum of RMB33.82 million had been used for establishing our line of premium finished zippers at our current premises as stated in the Company’s prospectus dated 13 September 2007. Of which, RMB18.82 million was paid as down payment for purchase of machinery and equipment and the remaining RMB15 million was for the building in progress.

BY ORDER OF THE BOARD

Hong Qing Liang
Executive Director & CEO

29 February 2008

Note:

SAC Capital Private Limited was the issue manager for the initial public offer of Fuxing China Group Limited (the "Company"). This announcement has been prepared and released by the Company.