FUXING CHINA GROUP LIMITED
(Incorporated in Bermuda)
(Company Registration No.: 38973)

PROPOSED DIMINUTION OF AUTHORISED SHARE CAPITAL

1. INTRODUCTION

1.1. The board of directors (the "**Board**" or "**Directors**") of Fuxing China Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing to undertake a diminution of the authorised share capital of the Company by cancelling 5,000,000,000 authorised but unissued ordinary shares with a par value of S$0.02 each in the share capital of the Company ("**Shares**") and diminishing the authorised share capital of the Company of S$200,000,000.00 by S$100,000,000.00 representing the amount of the authorised but unissued Shares so cancelled, resulting in an authorised share capital of S$100,000,000 divided into 5,000,000,000 Shares with a par value of S$0.02 each in the share capital of the Company ("**Proposed Authorised Capital Diminution**").

1.2. As at the date of this announcement, the authorised share capital of the Company is S$200,000,000.00 divided into 10,000,000,000 Shares, of which 20,809,436 Shares have been issued and are fully paid-up (including 327,720 Shares which are held as treasury shares).

1.3. The Proposed Authorised Capital Diminution is subject to, among others, the approval of the shareholders of the Company ("**Shareholders**"), which will be sought at a special general meeting of the Company ("**SGM**") to be convened. A circular to the Shareholders containing further information on the Proposed Authorised Capital Diminution ("**Circular**"), together with the notice of the SGM, will be despatched to the Shareholders in due course.

2. RATIONALE FOR THE PROPOSED AUTHORISED CAPITAL DIMINUTION

2.1 As the existing authorised share capital of the Company significantly exceeds the needs of the Company, the Directors are of the view that the Proposed Authorised Capital Diminution would be in the interest of the Company and the Shareholders as a whole taking into consideration:

(a) the escalating scale of the annual fee payable to the Bermuda government calculated on the assessable capital of the Company, being the aggregate of the amount of the authorised share capital of the Company and the amount of the share premium account of the Company;

(b) the savings which would be achieved as a result of a lower annual fee payable to the Bermuda government after the Proposed Authorised Capital Diminution;

(c) the existing issued share capital of the Company;

(d) the maximum number of Shares which may be issued and allotted pursuant to the Company's share issue mandate; and

(e) the proposed bonus issue of up to 10,240,858 new Shares (the "**Bonus Shares**") on the basis of one (1) Bonus Share to be credited as fully paid for every two (2) existing Shares held by Shareholders as at the record date to be determined by the Directors (the "**Proposed Bonus Issue**"), as announced by the Company on 14 August 2026 via SGXNet.

2.2 The Proposed Authorised Capital Diminution will not, of itself, alter the issued share capital of the Company or the interests of the Shareholders. It is a cancellation in respect of authorised but unissued Shares and will not constitute a reduction in share capital within the meaning of the Companies Act 1981 of Bermuda.

2.3 For avoidance of doubt, the Proposed Authorised Capital Diminution will not have any impact on the Proposed Bonus Issue for the reasons set out in paragraphs 2.1(e) and 2.2 above, and *vice versa*.

3. EFFECTS OF THE PROPOSED AUTHORISED CAPITAL DIMINUTION

The Proposed Authorised Capital Diminution will reduce the authorised share capital of the Company from S$200,000,000.00 divided into 10,000,000,000 Shares with a par value of S$0.02 each, to S$100,000,000.00 divided into 5,000,000,000 Shares with a par value of S$0.02 each. There will be no change in the percentage level of the shareholding of each Shareholder in the issued share capital of the Company solely as a result of the Proposed Authorised Capital Diminution.

Other than the expenses incurred in relation to the Proposed Authorised Capital Diminution, the Proposed Authorised Capital Diminution will not alter the underlying assets, business operations, management or financial position of the Company.

The Proposed Authorised Capital Diminution will not reduce any liability in respect of unpaid capital or involve any payment to any Shareholders of any fully paid-up share capital of the Company. As at 31 December 2025, the net equity position of the Group before and after the Proposed Authorised Capital Diminution is RMB597,251,000 and RMB597,251,000 respectively.

The Proposed Authorised Capital Diminution will not result in a return of capital or cash to Shareholders.

4. FINANCIAL EFFECTS OF THE PROPOSED AUTHORISED CAPITAL DIMINUTION

The financial effects of the Proposed Authorised Capital Diminution are presented for illustrative purposes only and are not intended to reflect the actual future financial performance and position of the Company or the Group after the Proposed Authorised Capital Diminution has taken effect.

The financial effects set out below have been computed based on the latest audited consolidated financial statements of the Group for FY2025 as well as based on the following bases and key assumptions:

(a) the financial effects of the Proposed Authorised Capital Diminution on the net tangible asset ("**NTA**") per Share of the Group and the gearing of the Group are computed assuming that the Proposed Authorised Capital Diminution had taken effect on 31 December 2025; and

(b) the financial effects of the Proposed Authorised Capital Diminution on the earnings per Share ("**EPS**") of the Group are computed assuming that the Proposed Authorised Capital Diminution had taken effect on 1 January 2025.

4.1 Share Capital

As at 31 December 2025	Before Proposed Authorised Capital Diminution	After Proposed Authorised Capital Diminution
Authorised Share Capital		
Number of Shares	10,000,000,000	5,000,000,000
Par Value (S$)	0.02	0.02
Total (S$)	200,000,000.00	100,000,000.00
Issued and Paid-up Share Capital		
Number of Shares (including treasury shares)	20,809,436	20,809,436
Par Value (S$)	0.02	0.02
Total (S$)	416,188.72	416,188.72

4.2 Shareholders' Funds and Reserves

As at 31 December 2025	Before Proposed Authorised Capital Diminution (RMB'000)	After Proposed Authorised Capital Diminution (RMB'000)
Share capital	2,202	2,202
Treasury shares	(6,408)	(6,408)
Reserve fund	67,593	67,593
Capital reserve	39,573	39,573
Contributed surplus	604,881	604,881
Restructuring reserve	(117,878)	(117,878)
Foreign currency translation reserve	(13,197)	(13,197)
Retained earnings	20,485	20,485
Shareholders' Funds	597,251	597,251

4.3 NTA, EPS and Gearing

Save for the costs and expenses relating to the Proposed Authorised Capital Diminution set out in the table below, which are not expected to be material, the implementation of the Proposed Authorised Capital Diminution will not have any effect on the NTA, EPS and gearing of the Group. No capital will be returned to Shareholders and there will be no change in the number of Shares held by Shareholders immediately after the Proposed Authorised Capital Diminution.

Description	Costs and Expenses (S$)
Professional fees	32,000

Description	Costs and Expenses (S$)
SGX submission fees	3,270

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Authorised Capital Diminution other than through their respective shareholdings in the Company, if any.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Authorised Capital Diminution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

7. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the Proposed Authorised Capital Diminution is subject to, among others, the necessary approvals being obtained by the Company, and are therefore advised to exercise caution when dealing or trading in the Shares. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

FOR AND ON BEHALF OF THE BOARD

Hong Qing Liang
Executive Chairman
25 August 2026