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UEN No: S99SS0111B  
GST Reg No: M90367530Y0Y

**Issuer:** Fuxing China Group Limited

**Stock code:** AWK

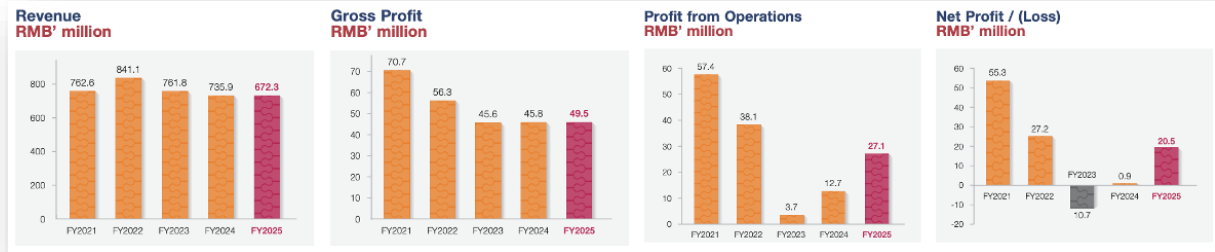
**Meeting details:**

Date: 29 April 2026

Time: 11.00 a.m.

Venue: Level 3, Function Room 3-1, 60 Cecil Street, ISCA House, Singapore 049709

**Q1.** The group reported operating profit of RMB27.1 million, the highest in the past three years, despite revenue declining to a five-year low of RMB672.3 million.



(Adapted from company annual report)

- (i) **How does the board assess the long-term resilience of the group's core zipper manufacturing business given the slide in revenue?**
- (ii) **What is the group's digital transformation roadmap, and how are investments in automation and artificial intelligence expected to structurally improve margins, productivity and product differentiation over the medium term?**
- (iii) **In addition, how has the Middle East conflict affected the group's operations and supply chain, particularly in relation to the availability of key inputs such as polyester, zinc and dyes? How is management mitigating any resulting volatility in input costs and logistics?**

According to a 2023 Euromonitor report, the group is ranked as the fourth largest zipper manufacturer.

- (iv) **Has the board evaluated opportunities for industry consolidation, whether globally or with like-minded peers in Fujian, and what role does the group intend to play in such consolidation, whether as acquirer, partner or target?**

**Q2.** "Allowance for receivables" is a key audit matter (KAM) highlighted by the independent auditors in their report on the audit of the financial statements. Key audit matters are those matters that, in the professional judgement of the Independent Auditor, were of most significance in the audit of the financial statements of the current period.

As noted in the KAM, the carrying amount of trade and other receivables and prepayments as at 31 December 2025 is RMB278.3 million. The group applies the simplified approach under SFRS(I) 9, recognising lifetime expected credit losses for trade and bill receivables.

Trade receivables and bill receivables (Note 17) (Cont'd)

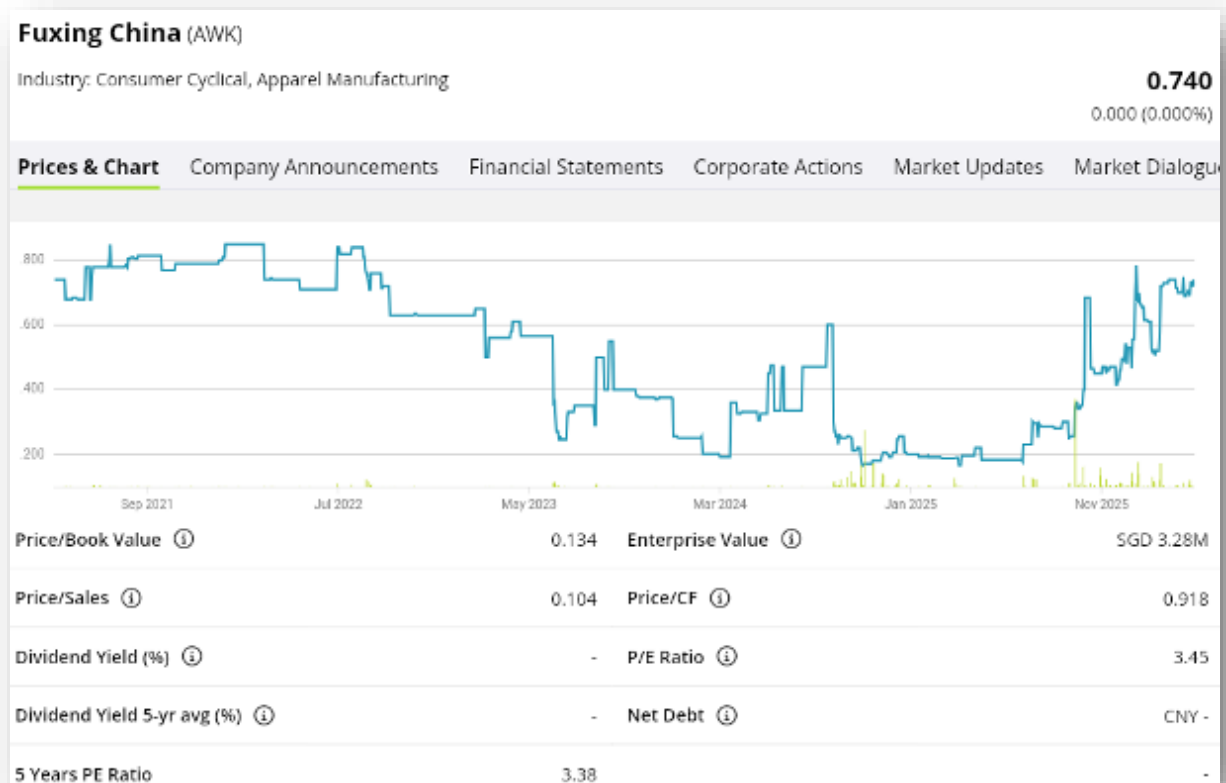
The loss allowance for trade receivables and bill receivables are determined as follows:

Group	Trade receivables and bill receivables				Total
	Current	Past due more than 1 to 90 days	Past due more than 91 to 180 days	Past due more than 180 days	
<b>31 December 2025</b>					
Expected credit loss rates	0%	0%	0%	65%	
Trade receivables (gross)	51,182	89,503	52,753	<u>59,579</u>	253,017
Bill receivables (gross)	1,371	-	-	-	1,371
Loss allowance (including credit impaired)	-	-	-	<u>(38,908)</u>	(38,908)
<b>31 December 2024</b>					
Expected credit loss rates	0%	0%	0%	86%	
Trade receivables (gross)	86,639	101,404	50,252	<u>48,702</u>	286,997
Bill receivables (gross)	536	-	-	-	536
Loss allowance (including credit impaired)	-	-	-	<u>(41,670)</u>	(41,670)

(Source: company annual report)

- (i) For significantly overdue trade receivables, can management provide a breakdown of trade receivables by ageing (including upper limit), customer profiles and geography?**
- (ii) What specific recovery actions has management taken to address long outstanding receivables? Is there a material concentration of overdue balances with specific counterparties? Does management see any discernible differences in the payment behaviour between direct-to-brand customers and other customer segments?**
- (iii) How does the group's receivables turnover and days sales outstanding compare with industry peers, and what target has the board set for management?**

**Q3.** According to SGX StockFacts, the company trades at a discount of more than 85% to its book value even though the share price has recovered over the past year. The company is trading at approximately \$0.75 per share, compared with a net asset value per share of RMB29.6 (estimated to be S\$5.40).



(Source: <https://investors.sgx.com/market/securities?code=AWK&type=stocks>)

Historically, when a company's valuation reaches these depressed levels, the market is pricing in either acute financial distress or a structural impairment of the business model.

- (i) **What has been the total shareholder return over the last 5, 10, 15 and 19 years (since the IPO in September 2007)?**
- (ii) **Given the persistent and significant discount to book value, has the board undertaken a formal review to identify the key drivers of this valuation gap? What specific and measurable actions are being taken to narrow the discount?**
- (iii) **Other than establishing a dividend policy, how is the board assessing capital management options such as share buybacks, special distributions, asset monetisation or portfolio restructuring to enhance capital efficiency and unlock value for shareholders?**

*Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.*



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