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Fu Shou Yuan International Group Limited

福壽園國際集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1448)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Fu Shou Yuan International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that on March 20, 2017, the Board has resolved to grant share options (the “**Share Options**”) under its share option scheme (the “**Share Option Scheme**”) adopted on December 3, 2013 to certain eligible participants (the “**Grantees**”) which, subject to the acceptance of the Share Options by the Grantees, will enable the Grantees to subscribe for an aggregate of 50,000,000 ordinary shares of US\$0.01 each (the “**Share(s)**”) in the share capital of the Company. Details of the Share Options granted are set out below:

Date of grant	: March 20, 2017 (the “ Date of Grant ”)
Exercise price of Share Options granted	: HK\$4.850 per Share, representing the highest of (i) the closing price of HK\$4.850 per Share as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant; (ii) the average closing price of HK\$4.510 per Share as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of US\$0.01 per Share

Total number of Share Options granted	: 50,000,000 Share Options (each Share Option shall entitle the Grantees to subscribe for one Share)
Closing price of the Shares on the Date of Grant	: HK\$4.850 per Share
Validity period of the Share Options	: The option period of the Share Options shall be four years from the Date of Grant (the “ Option Period ”) and the Share Option shall lapse at the expiry of the Option Period

Among the 50,000,000 Shares Options, a total of 11,700,000 Share Options were granted to the Directors and chief executives and a total of 38,300,000 Share Options were granted to certain employees of the Company and its subsidiaries. Details of which are as follows:

Name of the Grantees	Position	Number of Share Options granted
Bai Xiaojiang*	Chairman and Executive Director	5,000,000
Wang Jisheng*	Chief Executive and Executive Director	5,000,000
Lu Hesheng	Non-executive Director	500,000
Chen Qunlin	Independent non-executive Director	300,000
Ho Man	Independent non-executive Director	300,000
Luo Zhuping	Independent non-executive Director	300,000
Wu Jianwei	Independent non-executive Director	<u>300,000</u>
Sub-total of Share Options granted to Directors and chief executives of the Company		11,700,000
Other employees of the Group		38,300,000
Total		<u><u>50,000,000</u></u>

* Subject to the approval of independent Shareholders at the AGM

Save as disclosed in this announcement, none of the Grantees, is a Director, chief executive or substantial shareholder of the Company, or an associate of any of them.

Listing Rules Implications

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of Share Options to each of the above Directors and chief executives has been approved by the independent non-executive Directors, save that each of the independent non-executive Directors had abstained from approving the resolutions relating to the grant of Share Options to himself/herself.

In addition, pursuant to the terms of the Share Option Scheme, where any grant of options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the shares issued or to be issued upon exercise of all options already granted or to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million.

Such further grant must be approved by the Shareholders. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour of such grant at the general meeting.

As the total number of Shares issued and to be issued upon exercise of the Share Options granted or to be granted to Mr. Bai Xiaojiang and Mr. Wang Jisheng would in a 12-month period exceed 0.1% of the Shares in issue, such grant of Share Options to and acceptance thereof by Mr. Bai Xiaojiang and Mr. Wang Jisheng is subject to the approval of independent Shareholders at the annual general meeting of the Company to be held on May 15, 2017 (“AGM”). Mr. Bai Xiaojiang, Mr. Wang Jisheng and their associates and all core connected persons of the Company must abstain from voting in favour of such resolution at the AGM and such grant shall not take effect or be exercisable until such approval is obtained.

AGM

A circular containing, amongst other things, further information of the grant of the Share Options to Mr. Bai Xiaojiang and Mr. Wang Jisheng as required under the Listing Rules, together with notice of the AGM, will be despatched to the Shareholders as soon as practicable.

By order of the Board
Fu Shou Yuan International Group Limited
BAI Xiaojiang
Chairman

Hong Kong, March 20, 2017

As at the date of this announcement, the executive Directors are Mr. Bai Xiaojiang, Mr. Tan Leon Li-an and Mr. Wang Jisheng; the non-executive Directors are Mr. Ma Xiang, Mr. Lu Hesheng and Mr. Huang James Chih-Cheng; and the independent non-executive Directors are Mr. Chen Qunlin, Mr. Luo Zhuping, Mr. Ho Man and Ms. Wu Jianwei.