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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)

VOLUNTARY ANNOUNCEMENT

DAFENG FUNERAL SERVICE CENTER COOPERATION AGREEMENT

This is a voluntary announcement made by Fu Shou Yuan International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for keeping the shareholders of the Company and potential investors informed of the latest business development of the Group.

The board of directors (the “**Board**”) of the Company is pleased to announce that, on June 18, 2015, the Company’s indirect wholly-owned subsidiary, Shanghai Fu Shou Yuan Industry Development Co., Ltd.* (上海福壽園實業發展有限公司) (“**Shanghai FSY**”) entered into a cooperation agreement with the government-operated funeral home of Dafeng City in Jiangsu Province (江蘇省大豐市殯儀館) (“**Dafeng Funeral Home**”), in relation to the establishment of the Dafeng Funeral Service Center* (大豐市殯儀服務中心), an integrated, one-stop provider for the sale of funeral products, family vigils and farewell services in the city of Dafeng (the “**Dafeng Cooperation**”).

DAFENG COOPERATION

Under the Dafeng Cooperation, among other things, Dafeng Funeral Home will provide Shanghai FSY with (i) the requisite land parcels and (ii) a concession to operate. Shanghai FSY will in return (i) source investment funding (ii) implement the Company’s business objectives (iii) provide management expertise and (iv) be responsible for the planning, construction, development and operation of the Dafeng

Funeral Service Center. Dafeng Funeral Home will also facilitate, without limitation, the approval process for establishing the project and obtaining the relevant construction permits and land use right certificates. The duration of Dafeng Cooperation is set for 50 years.

REASONS FOR AND BENEFITS OF THE DAFENG COOPERATION

The cooperation with Dafeng Funeral Home will be conducive to the development and expansion of the Group's business in the Jiangsu Province. Leveraging on the Company's extensive experience in the development, operation and management of death care services in the PRC, the Board is of the view that such cooperation will enable the Group to create a commercial platform to capture business opportunities in the East China region. Furthermore, such cooperation also aims to set precedent in the government and private corporation "build-operate-transfer" model (the "**BOT Model**"), where private corporations will be responsible for the investment, financing and construction of the government-designated infrastructure projects and the government will confer the right of operation and maintenance of such projects to the private corporations. At the conclusion of the cooperation period, private corporations shall transfer such infrastructures to the government, with or without compensation. The BOT Model is designed to drive further collaboration between funeral enterprises owned or operated by local governments and private corporations. Under the BOT Model, the local government of Dafeng city entrusts the professional operators such as the Group in some of the funeral industry and jointly promote and develop the funeral industry in Jiangsu Province. With the Dafeng Cooperation, the Group expects this to be the first of a series of similar collaboration projects with other local governments in the PRC in the future.

Further announcement(s) will be made by the Company in respect of the Dafeng Cooperation in accordance with the Listing Rules if and when required.

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

PRC, June 18, 2015

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. Lin Hung Ming (also known as Lin Hon Min), 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.

** Denotes English translation of the name of a Chinese company or entity or vice versa and is provided for identification purpose only.*