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中國光纖網絡系統集團有限公司

CHINA FIBER OPTIC NETWORK SYSTEM GROUP LTD.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3777)

GRANT OF SHARE OPTIONS

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

The board (the “**Board**”) of directors (the “**Directors**”) of China Fiber Optic Network System Group Ltd. (the “**Company**”) announces that the Company has granted share options (the “**Share Options**”) to subscribe for a total of 89,662,800 ordinary shares of US\$0.001 each of the Company (the “**Shares**”) to certain Directors, other eligible participants of the Company and its subsidiaries and a substantial shareholder (as defined under the Listing Rules) of the Company (the “**Grantees**”), subject to acceptance of the Grantees, under the share option scheme adopted by the Company on June 3, 2011 (the “**Share Option Scheme**”). Details of the Share Options granted are as follows:

Date of grant : November 17, 2015 (the “**Date of Grant**”)

Exercise price : HK\$0.862 per Share

Number of underlying Shares : 89,662,800 Shares
comprised in the Share Options
granted

Closing price of the Shares on the Date : HK\$0.830 per Share
of Grant

Average closing price of the Shares for : HK\$0.862 per Share
the five business days immediately
preceding the Date of Grant

Validity period of the Share Options : November 17, 2015 to November 16, 2025
(both dates inclusive)

Vesting schedule : Subject to vesting in accordance with the following schedule:

1/6: 6 months after Date of Grant
1/6: 12 months after Date of Grant
1/6: 18 months after Date of Grant
1/6: 24 months after Date of Grant
1/6: 30 months after Date of Grant
1/6: 36 months after Date of Grant

Of the above Share Options granted, Share Options comprising an aggregate of 36,217,200 underlying Shares were granted to the Directors and a substantial shareholder, details of which are as follows:

	Number of underlying Shares comprised in the Share Options granted
Grantees	
<u>Substantial Shareholder and Executive Director</u>	
Zhao Bing	2,144,400
<u>Directors</u>	
<i>Executive Directors:</i>	
Meng Yuxiao	8,484,000
Deng Xuejun	8,484,000
Hung, Randy King Kuen	8,484,000
Xia Ni	7,944,000
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	33,396,000

<i>Independent Non-Executive Directors (the "INEDs"):</i>	
Shi Cuiming	225,600
Ma Kwai Yuen	225,600
Lui Pan	225,600
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	676,800

Sub-total	36,217,200
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Other eligible participants under the Share Option Scheme	53,445,600
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Total	89,662,800
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To the best knowledge and belief of the Board, save as disclosed above, none of the Grantees is a Director, chief executive or substantial shareholder of the Company, nor an associate (as defined under the Listing Rules) of any of them.

In accordance with Rule 17.04(1) of the Listing Rules, the grant of the Share Options to each of the above Directors and substantial shareholder of the Company has been approved by INEDs and each INEDs concerned has abstained from voting on the relevant resolution approving the grant of the Share Options to himself.

By order of the Board
China Fiber Optic Network System Group Ltd.
Hung, Randy King Kuen
Executive Director

Hong Kong, November 17, 2015

As at the date of this announcement, the executive Directors of the Company are Mr. Zhao Bing (Chairman), Mr. Meng Yuxiao, Mr. Deng Xuejun, Mr. Hung, Randy King Kuen and Mr. Xia Ni; and the INEDs are Mr. Shi Cuiming, Dr. Ma Kwai Yuen, Dr. Lui Pan, Dr. Xu Wanqiang and Prof. Jiang Desheng.