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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)

**(1) RESUMPTION GUIDANCE;
(2) UPDATE ON PROGRESS OF RESUMPTION;
(3) POSTPONEMENT OF ANNUAL GENERAL MEETING;
AND
(4) CONTINUED TRADING SUSPENSION**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Fu Shou Yuan International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) and Rule 13.49(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements (the “**Announcements**”) of the Company dated March 19, 2026, March 31, 2026 and April 27, 2026 in relation to (among other matters) delay in publication of the 2025 annual results; delay in publication of the 2025 annual report and sustainability report; postponement of the board meeting; the progress of the investigation; and trading suspension. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcements.

On June 16, 2026, the Company received a letter from the Stock Exchange (“**Guidance Letter**”) setting out the Stock Exchange’s guidance for the resumption of trading in the shares of the Company on the Stock Exchange (the “**Resumption Guidance**”). The Guidance Letter refers to (i) the trading suspension of the Company’s shares since March 20, 2026; (ii) the Announcements and (iii) the Company’s submissions to the Stock Exchange on April 27, 2026 and May 20, 2026.

Under the Guidance Letter, the Stock Exchange highlighted that:

1. Trading in the Company's shares has been suspended since March 20, 2026 pending the release of an inside information announcement in respect of certain asset procurement transactions and related payment arrangements that required further verification and assessment (the "**Questionable Transactions**"). The Company had initiated an investigation into the Questionable Transactions.
2. On March 31, 2026, the Company announced the delay in publication of its annual results for the year ended December 31, 2025 ("**FY2025**") as the investigation was still ongoing and the Company's auditor (the "**Auditor**") required additional time to complete the relevant audit procedures.
3. Regarding the Questionable Transactions, the Company announced and/or submitted that:
 - (a) In July 2025, there were discussions on a mainland online forum alleging that a current executive Director (then an executive Director and the CEO) (the "**Former CEO**") together with certain management of a subsidiary of the Company (the "**Subsidiary**") breached compliance requirements for personal gain when operating projects of the Subsidiary. He was removed as the CEO in December 2025 while remains as an executive director.
 - (b) In February 2026, the Audit Committee and Compliance Committee resolved to engage a "Big Four" accounting firm (not being the auditor of the Company) to act as the consultant (the "**Consultant**") to further review the above matters, including the involvement of relevant personnel, the Group's approval procedures and internal controls during the relevant period, as well as an evaluation of the commercial rationale, business substance and use of these funds.
 - (c) The Auditor, in early March 2026, identified a prepayment of RMB3 million and requested management to provide supporting documentation, such as the relevant agreement or invoice. Following management's internal enquiries and review of internal records, it was found that the transaction was not supported by any written record nor approved in accordance with the Group's internal control policy. The Former CEO's involvement was also identified during this review process.
 - (d) In mid-March 2026, the Board has established a Special Investigation Committee (comprising all of its independent non-executive directors) and appointed the Consultant as a forensic accountant (the "**Forensic Accountant**") to conduct an independent forensic investigation, expanding the scope from the Subsidiary to key subsidiaries managed by relevant personnel within the Group.

- (e) By late March 2026, the Forensic Accountant reported their preliminary findings on the Questionable Transactions. Based on the preliminary findings, they have identified 47 Questionable Transactions relating to cash withdrawals/disbursements and payments to suppliers purportedly for procurement, amounting to RMB19.7 million during the period from 2016 to 2025. Staff of the Company represented that certain of the Questionable Transactions were made under the Former CEO's instructions without any supporting documents, and certain cash withdrawals were made to the Former CEO with no accounting entries nor internal approval record. However, the quantity, nature, and individuals involved in the Questionable Transactions are subject to the ongoing investigation. To date, the forensic investigation is ongoing.

OBSERVATIONS AND CONCERNS OF THE STOCK EXCHANGE

As noted above, the Forensic Accountant has identified at least 47 Questionable Transactions which involved, among others, the absences of supporting documents, approval records and accounting entries. The Stock Exchange expressed in the Guidance Letter that the nature and commercial rationale of these payments are therefore questionable. In particular, certain of the Questionable Transactions were alleged to be conducted under the Former CEO's instructions and/or involved the transfer of funds to him raising concerns regarding potential misappropriation of the Group's assets. These concerns warrant a forensic investigation, which seeks to ascertain the facts and circumstances surrounding the Questionable Transactions, including but not limited to, the commercial rationale of these payments, the directors and management personnel who had knowledge of and/or involvement in the Questionable Transactions and whether these transactions would give rise to any non-compliance with the Listing Rules and/or other regulatory requirements.

The Stock Exchange also expressed in the Guidance Letter that the Questionable Transactions also give rise to the concern on whether the Group has in place adequate and sufficient internal control measures to safeguard the shareholders' assets and ensure compliance with the Listing Rules in all material aspects, including but not limited to financial reporting, disclosure and compliance relating to notifiable and connected transactions and disclosure of material information.

Without the 2025 Annual Results, the Stock Exchange expressed in the Guidance Letter that it is unable to monitor the Company's business activities, operation status and financial performance and assess whether it complies with its continuing listing obligation to maintain sufficient operations and assets under Rule 13.24 of the Listing Rules to warrant its continuing listing.

RESUMPTION GUIDANCE

Given the circumstances, the Stock Exchange has set out the following in the Guidance Letter as their requirements under the Resumption Guidance:

- (a) conduct an appropriate independent forensic investigation into the Questionable Transactions, assess their impact on the Company's business operations and financial position, announce the findings of the investigation and take appropriate remedial actions;
- (b) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (c) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- (d) engage an independent internal control consultant to conduct an independent internal control review and demonstrate that:
 - (i) the material deficiencies identified in relation to the trading suspension have been rectified and all necessary remedial measures have been implemented; and
 - (ii) the internal controls of the Company are adequate and effective to serve their purposes and enable the Company to comply with the Listing Rules in all material aspects, including but not limited to financial reporting, disclosure and compliance relating to notifiable and connected transactions and disclosure of material information;
- (e) demonstrate the Company's compliance with Rule 13.24; and
- (f) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

The Stock Exchange requires that the Company must meet all Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. Whilst the Company may seek the Stock Exchange's guidance on its resumption plan, its resumption plan is not subject to the Stock Exchange's prior approval before implementation. To assist the Company, the Stock Exchange may modify or supplement the Resumption Guidance if the Company's situation changes.

FURTHER GUIDANCE FROM THE STOCK EXCHANGE

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on September 19, 2027. If the Company fails to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by September 19, 2027, the Listing Division of the Stock Exchange will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period or to cancel the listing of the Company immediately, where appropriate.

The Guidance Letter further stated that the Company must also comply with the Listing Rules and all applicable laws and regulations in Hong Kong and its place of incorporation before resumption.

The Stock Exchange also requested the Company to make this announcement, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares to avoid delisting as soon as practicable.

While trading is suspended, the Stock Exchange reminds the Company of its obligations under the Listing Rules including, but not limited to:

- (a) keep the duration of any trading suspension to the shortest possible period as required under Rule 6.05 of the Listing Rules;
- (b) comply with its continuing obligations under the Listing Rules at all times, for example, those applying to notifiable and/or connected transactions under Chapters 14 and 14A of the Listing Rules and publication of periodic financial results and reports and, if they are not available, management accounts under Rules 13.46 to 13.49 of the Listing Rules;
- (c) announce inside information required to be disclosed under Part XIVA of the Securities and Futures Ordinance; and
- (d) announce quarterly updates on its developments under Rule 13.24A of the Listing Rules including, among other relevant matters:
 - its business operations;
 - its resumption plan with details of actions that it has taken and intends to take to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules and resume trading. The resumption plan should be accompanied with a clear timeframe in respect of

each stage of work under the plan with a view that the Resumption Guidance can be fulfilled and trading can resume as soon as practicable and, in any event before the 18-month period expires;

- the progress of implementing its resumption plan; and
- details of any material change to the resumption plan and, in the case of delay, the reasons and impact of such delay.

Pursuant to the Guidance Letter, the Company must announce its first quarterly update on or before June 19, 2026 and every 3 months from that date until resumption or cancellation of listing (whichever is earlier).

UPDATE ON PROGRESS OF RESUMPTION

Pursuant to Rule 13.24A of the Listing Rules, the Board wishes to update the Shareholders and potential investors on the latest developments regarding the Company's efforts to fulfill the resumption guidance as of the date of this announcement.

- (a) conduct an appropriate independent forensic investigation into the Questionable Transactions, assess their impact on the Company's business operations and financial position, announce the findings of the investigation and take appropriate remedial actions;**

The independent forensic investigation is being conducted by the Forensic Accountant. The Company is actively cooperating with them to expedite the investigation. Further announcement(s) will be made by the Company to inform the Shareholders and the Stock Exchange of the key findings and results of the independent investigation as and when appropriate.

- (b) publish all outstanding financial results required under the Listing Rules and address any audit modifications;**

As stated in the Announcements, the Company continues to work closely with its Auditor to address the outstanding audit information. The publication of the 2025 Annual Results, 2025 Annual Report and Sustainability Report remains subject to the findings of the independent investigation mentioned in item (a) and the independent internal control review mentioned in item (d). No publication date has been fixed yet.

The Board originally scheduled a meeting on March 20, 2026 to consider and approve the 2025 Annual Results and its publication. Due to the foregoing, the Board meeting originally scheduled on March 20, 2026 will also be postponed. The Company will announce the new date of the Board meeting in due course.

- (c) **demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;**

The Board's assessment of the integrity, competence and character of the management and/or any persons with substantial influence over the Company's management and operations will only be conducted after the conclusion of the independent investigation and internal control review. As both exercises are still ongoing, no conclusion has been reached at this stage.

- (d) **engage an independent internal control consultant to conduct an independent internal control review and demonstrate that:**

- (i) **the material deficiencies identified in relation to the trading suspension have been rectified and all necessary remedial measures have been implemented; and**
- (ii) **the internal controls of the Company are adequate and effective to serve their purposes and enable the Company to comply with the Listing Rules in all material aspects, including but not limited to financial reporting, disclosure and compliance relating to notifiable and connected transactions and disclosure of material information;**

The Company will appoint a suitable independent internal control consultant to carry out an independent thorough review of the Group's internal control systems.

- (e) **demonstrate the Company's compliance with Rule 13.24; and**

Since the suspension of trading on March 20, 2026 and up to the date of this announcement, the Group has continued to operate its cemetery and funeral businesses in the ordinary course. Despite the ongoing suspension, the Company's business operations have continued in all material respects as normal. Upholding the core philosophy of life aesthetics and life commemoration the Group strives to develop product lines covering more price ranges and further implement its digital strategy across all cemeteries, to ensure that it has maintained sufficient operations and assets as required under Rule 13.24 of the Listing Rules.

- (f) **inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.**

The Company will continue to keep the Shareholders and other investors informed of any relevant material development by making further announcement(s) as and when appropriate in accordance with the requirements under the Listing Rules.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules to keep its shareholders and potential investors informed of the latest progress in fulfilling the Resumption Guidance.

POSTPONEMENT OF ANNUAL GENERAL MEETING

Pursuant to Rule 13.46(2)(b) of the Listing Rules, the Company should lay its annual financial statements before the Shareholders at its annual general meeting within the period of six months after the end of the financial year or accounting reference period to which the annual financial statements relate (i.e., on or before June 30, 2026).

Pursuant to Article 62 of the Company's Articles of Association, every annual general meeting shall be held within six months from the end of the financial year (or such longer period as may be approved by the Stock Exchange of Hong Kong Limited) at such time and place within such region or elsewhere as the Board may determine.

Following the delay in publication of the 2025 Annual Results and publication of the 2025 Annual Report, it is expected that the convening of the annual general meeting of the Company will be postponed beyond six months from the financial year end date. The Company will publish further announcement(s) to inform Shareholders of the date of the annual general meeting as and when appropriate.

CONTINUED TRADING SUSPENSION

Trading in the shares of the Company on the Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on Friday, March 20, 2026 and will remain suspended until further notice. The Company will issue a further announcement in due course to inform the market of the latest developments and the arrangements for the resumption of trading.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, June 18, 2026

As at the date of this announcement, the executive Directors are Mr. Bai Xiaojiang, Mr. Wang Jisheng and Mr. Ho Man; the non-executive Directors are Mr. Tan Leon Li-an, Mr. Lu Hesheng and Mr. Huang James Chih-Cheng; and the independent non-executive Directors are Ms. Liang Yanjun, Mr. Shi Xiaobei, Mr. Chen Gui and Mr. Ng Michael Chiu Ho.