

**DATED 6 February 2018**

**CHINA FIRE SAFETY ENTERPRISE GROUP LIMITED**  
**(中國消防企業集團有限公司)**

**and**

**STATE-OWNED ENTERPRISE STRUCTURAL ADJUSTMENT CHINA**  
**MERCHANTS BUYOUT FUND (LIMITED PARTNERSHIP)**  
**(深圳国调招商并购股权投资基金合伙企业(有限合伙))**

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**SUBSCRIPTION AGREEMENT**

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**PAUL**  
**HASTINGS**

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**THIS AGREEMENT** is made on 6 February 2018

**BETWEEN:**

- (1) **CHINA FIRE SAFETY ENTERPRISE GROUP LIMITED** (中國消防企業集團有限公司), a company incorporated under the laws of the Cayman Islands and listed on the Main Board of the Stock Exchange (stock code: 445), whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands (the “**Company**”); and
- (2) **STATE-OWNED ENTERPRISE STRUCTURAL ADJUSTMENT CHINA MERCHANTS BUYOUT FUND (LIMITED PARTNERSHIP)** (深圳国调招商并购股权投资基金合伙企业(有限合伙)), a limited partnership established in the People’s Republic of China, whose registered office is at A5, 2/F, Building 12, Yantian International Creative Port, Sha Tau Kok Street, Yantian District, Shenzhen, the People’s Republic of China (the “**Subscriber**”).

**WHEREAS:**

- A. As at the date of this Agreement, the Company has an authorised share capital of HK\$100,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.01 each (the “**Shares**” and each, a “**Share**”), of which 4,078,571,430 Shares have been allotted and issued and are fully paid up and currently listed on the Stock Exchange.
- B. The Company has agreed to issue to the Subscriber, and the Subscriber has agreed to subscribe for, the Subscription Shares (as defined below) pursuant to the terms and subject to the conditions set out in this Agreement.

**BY WHICH IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 In this Agreement (including the recitals), the following expressions shall, unless the context otherwise requires, have the following meanings:

“**Agreement**” means this agreement;

“**Announcement**” means the announcement of the Company in relation to the Subscription and the transactions contemplated under this Agreement which the Company proposes to issue following the entering into of this Agreement and any other announcement and circular in relation to the Subscription and the transactions contemplated under this Agreement required pursuant to applicable laws and regulations or the requirements of the Stock Exchange, the SFC or any other regulatory body or authority;

“**associate**” has the meaning ascribed thereto under the Listing Rules;

“**Business Day**” means any day (other than a Saturday, Sunday and public holiday) on which banks are open for general banking business in Hong Kong;

“**CCASS**” means the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited;

“**Completion**” means completion of the Subscription in accordance with **Clause 4**;

“**Completion Date**” means the date on which the Completion takes place;

“**Condition(s)**” means the condition(s) set out in **Clause 3**;

“**connected person**” has the meaning ascribed thereto in the Listing Rules;

“**core connected person**” has the meaning ascribed thereto in the Listing Rules;

“**Designated Bank Account**” means the bank account of the Company at:

|                 |  |
|-----------------|--|
| Bank:           | Industrial and Commercial Bank of China (Asia) Limited |
| Address:        | 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong    |
| Swift code:     | UBHKHKHH   |
| Account number: | 861-036-01885-6  |
| Account name:   | China Fire Safety Enterprise Group Limited             |

“**EGM**” means the extraordinary general meeting of the Company to be convened and held for the independent Shareholders to consider and, if thought fit, approve this Agreement, the transactions contemplated hereunder and the Specific Mandate;

“**Encumbrances**” means liens, charges, security interests, encumbrances, adverse claims, options and third party rights;

“**Governmental Authorities**” means any national, provincial, municipal or local government, administrative or regulatory body or department, commission, agency, court, tribunal, arbitrator or any body that exercises the function of a regulator, including but not limited to the Stock Exchange, the SFC, the Cayman Registrar of Companies and the Companies Registry in Hong Kong and “**Governmental Authority**” means any of them;

“**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the time being in force;

“**Long Stop Date**” means 30 June 2018 (or such other date as the Parties may agree in writing);

“**Participant**” means a person admitted for the time being by Hong Kong Securities Clearing Company Limited as a participant of CCASS;

“**Parties**” means the parties to this Agreement and “**Party**” means any of them;

“**Proposed Pteris Acquisition**” means the proposed acquisition of an aggregate of 383,064,391 shares of Pteris Global Limited (representing approximately 99.41% of the issued share capital of Pteris Global Limited) by Wang Sing Technology Limited (a wholly-owned subsidiary of the Company) from Sharp Vision Holdings Limited and Fengqiang Holding Limited;

“**Pteris SPA**” means the sale and purchase agreement entered into amongst Wang Sing Technology Limited, the Company, Sharp Vision Holdings Limited and Fengqiang Holding Limited on 4 December 2017 in respect of the Proposed Pteris Acquisition;

“**SFC**” means the Securities and Futures Commission;

“**Shares**” has the meaning given to it in **recital A**;

“**Shareholder(s)**” means the holder(s) of the Shares from time to time;

“**Specific Mandate**” means the specific mandate for the allotment and issuance of the Subscription Shares to be granted to the board of directors of the Company at the EGM;

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited;

“**Subscription**” means the proposed subscription by the Subscriber of the Subscription Shares to be allotted and issued by the Company at the Subscription Price in accordance with the terms and conditions set out in this Agreement;

“**Subscription Monies**” means HK\$246.4 million (equivalent to approximately RMB198.6 million, based on the exchange rate of HK\$1:RMB0.80600), being the aggregate sum of the Subscription Price multiplied by the number of Subscription Shares, before deduction of the related expenses;

“**Subscription Price**” means HK\$0.366 per Subscription Share;

“**Subscription Shares**” means 673,225,000 new Shares to be allotted and issued by the Company to the Subscriber under the Subscription and “**Subscription Share**” means any one of them;

“**substantial shareholder**” has the meaning ascribed thereto under the Listing Rules;

“**Takeovers Code**” means the Hong Kong Code on Takeovers and Mergers;

“**Termination Notice**” has the meaning given to it under **Clause 6.1**; and

“**Warranties**” means the representations, warranties and undertakings given by the Subscriber as set out in **Clause 5**.

- 1.2 In this Agreement, references to any statute, statutory provision, Listing Rule or a rule of the Takeovers Code include a reference to that statute, statutory provision, Listing Rule or a rule of the Takeovers Code as from time to time amended, extended or re-enacted.
- 1.3 In this Agreement, references to persons include references to bodies corporate, references to singular include references to the plural and vice versa; and words denoting one gender only shall include other genders.
- 1.4 Headings are inserted for convenience only and shall not affect the interpretation of this Agreement.
- 1.5 All references in this Agreement in relation to any time, date or period shall mean Hong Kong time.
- 1.6 References to Clauses and Sub-clauses are references to clauses and sub-clauses of this Agreement.
- 1.7 Except as otherwise provided for in this Agreement, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any term of, or enjoy any benefit

under, this Agreement and the consent of any person who is not a party hereto is not required to rescind or vary this Agreement at any time.

## **2. SUBSCRIPTION**

- 2.1 Subject to the terms and conditions of this Agreement, the Subscriber shall subscribe for, and the Company shall allot and issue to the Subscriber, the aggregate number of the Subscription Shares at the Subscription Price at Completion.
- 2.2 The Subscription Shares shall be allotted and issued by the Company to the Subscriber in accordance with **Clause 4.3(a)**4.3(a), fully paid and free from Encumbrances.
- 2.3 The Subscription Shares shall rank *pari passu* in all respects with the Shares in issue at the date of allotment.

## **3. CONDITIONS**

- 3.1 Completion of the Subscription shall be conditional upon all of the following Conditions having been satisfied (or waived by the Company pursuant to **Clause 3.2**):
  - (a) completion of the Proposed Pteris Acquisition in accordance with the terms and conditions of the Pteris SPA having taken place;
  - (b) this Agreement and the transactions contemplated hereunder and the Specific Mandate being approved by the independent Shareholders at the EGM;
  - (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal, in the Subscription Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares under **Clause 4.3(b)** hereof);
  - (d) no legislation, rule or regulation being proposed or passed that would prohibit or materially restrict the implementation of this Agreement; and
  - (e) the Warranties remaining true, accurate, complete and correct in all respects and not misleading in any respect up to and including the Completion Date.
- 3.2 The Company may waive any of the conditions set out in **Clause 3.1** (other than those set out in **Clauses 3.1(a)**, **3.1(b)** and **3.1(c)**) at its absolute discretion at or before 12:00 noon (Hong Kong time) on the Long Stop Date.
- 3.3 The Company shall apply to the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares and shall obtain the granting of such listing and permission to deal in the Subscription Shares by the Listing Committee as soon as reasonably practicable and will inform the Subscriber promptly following the granting of the same.
- 3.4 The Subscriber shall furnish such information, supply such documents and do all such acts and things as may be required by the Company and/or the Stock Exchange to facilitate the application to the Stock Exchange by the Company for the listing of, and permission to deal in, the Subscription Shares and the fulfilment of the Conditions.

#### **4. COMPLETION**

- 4.1 Completion shall take place within three (3) Business Days after satisfaction of the last of the Conditions or at such date and time as agreed by the Parties.
- 4.2 At Completion, the Subscriber shall make full payment of the Subscription Monies in immediately available funds by direct transfer in the amount thereof to the Designated Bank Account.
- 4.3 Against compliance with the provision of **Clause 4.2**, the Company shall:
- (a) allot and issue the Subscription Shares to the Subscriber (or as it may direct) and shall promptly thereafter register the Subscriber and/or its nominee(s) as members of the Company in respect of the Subscription Shares; and
  - (b) deliver to the Subscriber (or as it may direct), definitive share certificates in respect of the Subscription Shares in favour of the Subscriber and/or its nominee(s).

#### **5. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

- 5.1 In consideration of the Company entering into this Agreement and agreeing to perform its obligations hereunder, the Subscriber hereby represents, warrants and undertakes to the Company as follows:
- (a) it is duly established and validly existing under the laws of the place of its establishment and it has the right, power and authority to enter into, execute, deliver and perform this Agreement and that this Agreement (and its performance) has been duly authorised (such authorisation remaining in full force and effect) and executed by, and constitutes valid and legally binding and enforceable obligations of it;
  - (b) the entering into, execution, delivery and performance by the Subscriber of this Agreement will not (i) conflict with or results in a breach or a default under any of the organization, governance or constitutional documents of the Subscriber, or any agreement, instrument, order, judgment or other restriction which binds the Subscriber; or (ii) violate any law, rule or regulation of any jurisdiction to which it is subject in respect of the Subscription;
  - (c) it and the ultimate beneficial owner of the Subscription Shares are and will be third parties prior to the Completion (i) independent of the Company's directors, chief executive or any of their respective associates, and (ii) independent of and not connected with the Company or the directors, chief executive or connected persons of the Company or any of their respective subsidiaries or any associates of any of them; and
  - (d) it and the ultimate beneficial owner of the Subscription Shares are and will be third parties (i) who are not, and who will not become after Completion, core connected persons of the Company, (ii) whose Subscription has not been financed directly or indirectly by a core connected person, and (iii) who are not, and who will not become accustomed to take instructions from a core connected person in relation to the acquisition, disposal, voting or other disposition of securities of the Company registered in its name or otherwise held by it.

- 5.2 The Subscriber hereby undertakes to the Company to subscribe for the Subscription Shares subject to the Memorandum and Articles of Association of the Company and the terms of this Agreement.
- 5.3 Each of the Warranties shall:
- (a) be construed as separate and independent and shall not be limited by reference to any other provisions in this Agreement; and
  - (b) be made as of the date of this Agreement and be deemed to be repeated immediately before Completion with reference to the facts and circumstances then existing.
- 5.4 The Subscriber acknowledges and agrees that the none of the Company, its officers, advisors and agents has given or will give any express or implied representations and/or warranties, including with respect to the affairs, the financial positions, indebtedness, credit worthiness and/or future prospects of the Group, any of the members of the Group or the subject matter of this Agreement, and the Subscriber has not and will not rely on any representation, conduct, statement or silence on the part of the Company or its officers, advisors, valuers, agents, partners or representatives in any respect in connection with this Agreement.

## **6. TERMINATION**

- 6.1 Notwithstanding anything herein contained, the Company may, by notice in writing (the “**Termination Notice**”) to the Subscriber, terminate this Agreement at any time before the Completion Date in the event that any of the Conditions have not been fulfilled on or before the Long Stop Date.
- 6.2 Upon the Termination Notice being given pursuant to **Clause 6.1**, this Agreement shall terminate and be of no further effect, and no Party shall be under any liability to any other Party in respect of this Agreement, and the Parties shall be released and discharged from their respective obligations hereunder, in each case without prejudice to any rights, obligations, liabilities or claims arising from a breach of this Agreement which have accrued on or before the termination of this Agreement, provided always that, if Completion shall then have taken place, the Subscription, the payment of the Subscription Monies and issue of the Subscription Shares (and the relevant rights, obligations and liabilities) shall not thereby in any way be affected.

## **7. ANNOUNCEMENTS**

Save for the Announcement and press release in connection with the Agreement to be made by the Company or its controlling shareholder (if any), no other announcement relating to this Agreement and the transactions contemplated herein shall be made by or on behalf of any Party without the prior approval in writing of the other Party.

## **8. CONFIDENTIALITY**

- 8.1 The Parties agree to keep the existence and terms of this Agreement and the transactions contemplated herein and the related discussions confidential and take all reasonable precautions to ensure that the information is kept confidential, save and except that a Party may disclose such information:
- (a) if such information has become public information through no act or omission on the part of the other Party in breach of this Agreement;



- (b) to its officers and employees as are strictly necessary for the purpose of the evaluating, negotiating and implementing this Agreement and the transactions contemplated herein;
- (c) to its professional advisors as are strictly necessary to enable such professional advisors to advise on this Agreement and the transactions contemplated herein; or
- (d) to the extent required by applicable laws or regulations, any order of any court of competent jurisdiction or any competent Governmental Authority and/or the rules of any listing authority or stock exchange.

8.2 **Clause 8.1** shall survive termination of this Agreement and continue to be effective for a period of two (2) years after the termination date of this Agreement.

## 9. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the Parties as to its subject matter and supersedes any previous agreements between the Parties relating to its subject matter.

## 10. VARIATION

No amendment to this Agreement shall be valid unless it is in writing and duly executed by or on behalf of all Parties.

## 11. WAIVERS

No failure or delay by a Party in exercising any right or remedy provided by law or under this Agreement shall impair such right or remedy or operate or be construed as a waiver or variation of it or preclude its exercise at any subsequent time and no single or partial exercise of any such right or remedy shall preclude any further exercise of it or the exercise of any other remedy.

## 12. SEVERABILITY

If any provision of this Agreement is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement.

## 13. ASSIGNMENT

No Party shall nor shall it purport to assign, transfer, charge, pledge, delegate or otherwise deal with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it without the prior written consent of the other Parties. Any purported assignment in contravention of this **Clause 13** shall be void.

## 14. TIME OF THE ESSENCE

Any time, date or period mentioned in this Agreement may be extended by written agreement between the Parties but, as regards any time, date or period originally fixed or any date or period so extended as aforesaid, time shall be of the essence.

## 15. NOTICES

- 15.1 Any notice or communication under this Agreement shall be in writing and shall be delivered personally or sent by post or transmitted by fax or sent by email to the following address, fax number and email address (or at such other address, fax number and/or email address as the recipient may have notified to the other Parties in writing):

in the case of the Company:

Address: Units A-B, 16/F, China Overseas Building, 139 Hennessy Road,  
Wanchai, Hong Kong  
Attention: Janet LI  
Fax: (852) 2960 1166  
Email: janet@chinafire.com.hk

in the case of the Subscriber:

Address: 21 F towerB, East Pacific International Center, NO7888 Avenue  
Futian District, Shenzhen, People's Republic of China  
Attention: YANG Han  
Fax: (86) 755 8832 6400  
Email: yanghan@cmhk.com

- 15.2 Any notice or communication under this Agreement shall, in the absence of earlier receipt, be deemed to have been duly given if:
- (a) delivered personally, when left at the address referred to in **Clause 15.1**;
  - (b) sent by prepaid registered post or courier, two (2) Business Days after posting it;
  - (c) sent by fax, when confirmation of its transmission has been recorded by the sender's fax machine; and
  - (d) sent by email, immediately after it has been despatched from the sender's outbox.

## 16. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and by each Party hereto on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

## 17. LAW AND JURISDICTION

### 17.1 Governing Law

This Agreement shall be governed by, and construed in accordance with, Hong Kong law.

### 17.2 Hong Kong Jurisdiction

The Parties submit to the non-exclusive jurisdiction of the Hong Kong Court and each Party waives any objection to proceedings in Hong Kong on the grounds of venue or inconvenient forum.

**18. PROCESS AGENT**

18.1 The Subscriber irrevocably appoints the following persons as its agent to receive on its behalf in Hong Kong service of any proceedings under **Clause 17** (*Law and Jurisdiction*):

Name: China Merchants Capital Investment Co., Ltd  
Address: 16F, Three Pacific Place, 1 Queen's Road East, Hong Kong  
Telephone: (852) 25425980  
Fax: (852) 25493931  
Email: cmcapital@cmhk.com

18.2 The service of any process connected with proceedings in the Hong Kong Court and relating to this Agreement shall be sufficiently served on the Subscriber and be deemed completed (whether or not it is forwarded to and received by the Subscriber) if delivered to the Subscriber's process agent whose name and present address are set out above.

18.3 If for any reason an agent appointed under this **Clause 18** (*Process Agent*) ceases to act as such or ceases to have an address in Hong Kong, the Subscriber shall as soon as practicable appoint another agent for that purpose and notify each of the other Parties of the appointment and the new agent's name and address. If the Subscriber does not make that appointment within five (5) Business Days of that cessation, then the Company may do so for and on behalf of the Subscriber.

18.4 The Company irrevocably consents to any process in any legal action or proceedings under **Clause 17** (*Law and Jurisdiction*) above being served on it in accordance with the provisions of this Agreement relating to service of notices set out in **Clause 15** (*Notices*). Nothing contained in this Agreement shall affect the right to serve process in any other manner permitted by law.

***[SIGNATURE PAGES TO FOLLOW]***

IN WITNESS WHEREOF this Agreement has been entered into the day and year first before written.

SIGNED by

for and on behalf of

CHINA FIRE SAFETY ENTERPRISE  
GROUP LIMITED

in the presence of:

Li Ching Wah  
Li Ching Wah



IN WITNESS WHEREOF this Agreement has been entered into the day and year first before written.

SIGNED by

for and on behalf of

STATE-OWNED ENTERPRISE STRUCTURAL  
ADJUSTMENT CHINA MERCHANTS  
BUYOUT FUND (LIMITED PARTNERSHIP)

深圳国调招商并购股权投资

基金合伙企业(有限合伙)

in the presence of:

  
  
