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China Fire Safety Enterprise Group Limited

中國消防企業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 445)

- (1) VERY SUBSTANTIAL ACQUISITION,
CONNECTED TRANSACTION AND SPECIAL DEAL**
- (2) PROPOSED ISSUE OF CONSIDERATION SHARES, CONVERTIBLE BONDS
AND SUBSCRIPTION SHARES UNDER SPECIFIC MANDATE**
- (3) PROPOSED INCREASE OF AUTHORIZED CAPITAL**
- (4) APPLICATION FOR WHITEWASH WAIVER**
- AND**
- (5) PROPOSED CHANGE OF COMPANY NAME**
- COMPLETION OF THE PROPOSED ACQUISITIONS**

Reference is made to the circular of China Fire Safety Enterprise Group Limited (the “**Company**”) dated 15 March 2018 in relation to, amongst other things, (1) very substantial acquisition, connected transaction and the Special Deal; (2) proposed issue of the Consideration Shares, the Convertible Bonds and the Subscription Shares under the Specific Mandate; (3) proposed increase of authorized capital; (4) application for the Whitewash Waiver; and (5) proposed change of Company name (the “**Circular**”). Unless the context requires otherwise, terms used herein shall have the same meanings as those defined in the Circular.

COMPLETION OF THE PROPOSED ACQUISITIONS

The CFE Board is pleased to announce that the completion of the Proposed Acquisitions pursuant to the Sale and Purchase Agreements took place on 23 April 2018.

Upon completion of the Proposed Acquisitions, (i) a total of 4,664,472,279 Consideration Shares and Convertible Bonds in the principal amount of RMB1,541,341,938 have been allotted and issued to Sharp Vision; (ii) a total of 1,790,956,291 Consideration Shares and Convertible Bonds in the principal amount of RMB256,904,950 have been allotted and issued to Fengqiang; and (iii) a total of 1,014,679,470 Consideration Shares and Convertible Bonds in the principal amount of RMB294,886,806 have been allotted and issued to Lucky Rich.

EFFECTS OF THE PROPOSED ACQUISITIONS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

(a) The following table sets out the shareholding structure of the Company prior to the completion of the Proposed Acquisitions:

	Number of CFE Shares	Approximate %
<i>Non-Public CFE Shareholders</i>		
1. CIMC Group		
(i) Top Gear	1,223,571,430	30.0%
(ii) Sharp Vision	–	–
2. Jiang Xiong	981,600,000	24.1%
	<u>2,205,171,430</u>	<u>54.1%</u>
<i>Public CFE Shareholders</i>		
3. Liu Xiaolin and his controlled corporations		
(i) Genius Earn Limited	129,000,000	3.2%
(ii) Lucky Rich	–	–
4. Fengqiang	–	–
5. Other public CFE Shareholders	1,744,400,000	42.7%
	<u>1,873,400,000</u>	<u>45.9%</u>
Total	<u><u>4,078,571,430</u></u>	<u><u>100.0%</u></u>

(b) The following table sets out the shareholding structure of the Company immediately after the completion of the Proposed Acquisitions, assuming (i) none of the Convertible Bonds is converted; and (ii) none of the CFE Share Options is exercised:

	Number of CFE Shares	Approximate %
<i>Non-Public CFE Shareholders</i>		
1. CIMC Group		
(i) Top Gear	1,223,571,430	10.6%
(ii) Sharp Vision	4,664,472,279	40.4%
2. Jiang Xiong	981,600,000	8.5%
3. Fengqiang	1,790,956,291	15.5%
	<u>8,660,600,000</u>	<u>75.0%</u>

Public CFE Shareholders

4.	Liu Xiaolin and his controlled corporations		
	(i) Genius Earn Limited	129,000,000	1.1%
	(ii) Lucky Rich	1,014,679,470	8.8%
5.	Other public CFE Shareholders	<u>1,744,400,000</u>	<u>15.1%</u>
	Subtotal of public CFE Shareholders	<u>2,888,079,470</u>	<u>25.0%</u>
Total		<u>11,548,679,470</u>	<u>100.0%</u>

- (c) The following table sets out the shareholding structure of the Company immediately after the completion of the Proposed Acquisitions, assuming: (i) all of the Convertible Bonds have been fully converted; and (ii) none of the CFE Share Options have been exercised:

		Number of CFE Shares	Approximate %
<i>Non-Public CFE Shareholders</i>			
1.	CIMC Group		
	(i) Top Gear	1,223,571,430	6.7%
	(ii) Sharp Vision	9,618,962,597	52.6%
2.	Jiang Xiong	981,600,000	5.4%
3.	Fengqiang	2,616,751,693	14.3%
4.	Liu Xiaolin and his controlled corporations		
	(i) Genius Earn Limited	129,000,000	0.7%
	(ii) Lucky Rich	<u>1,962,563,770</u>	<u>10.7%</u>
	Subtotal of non-public CFE Shareholders	<u>16,532,449,490</u>	<u>90.4%</u>
<i>Public CFE Shareholders</i>			
5.	Other public CFE Shareholders	<u>1,744,400,000</u>	<u>9.6%</u>
	Subtotal of public CFE Shareholders	<u>1,744,400,000</u>	<u>9.6%</u>
Total		<u>18,276,849,490</u>	<u>100.0%</u>

Notes:

- (1) CFE adopted the CFE Share Option Scheme on 29 May 2009. As at the date of this announcement, there are 115,625,000 outstanding CFE Share Options.
- (2) Scenario (c) is based on the assumption that the Convertible Bonds have been fully converted. The public float requirement under the Listing Rules would not be complied with under such a scenario. According to the terms of the Convertible Bonds, no conversion of the Convertible Bonds shall take place if immediately after such conversion, the public float of the Shares will fall below the minimum public float as stipulated under the Listing Rules or as required by the Stock Exchange. Therefore, scenario (c) is for illustration purpose only.

By order of the Board
China Fire Safety Enterprise Group Limited
Li Ching Wah
Company Secretary

Hong Kong, 23 April 2018

As at the date of this announcement, the Directors are as follows:

<i>Dr. Li Yin Hui</i>	<i>Chairman and Non-executive Director</i>
<i>Mr. Jiang Xiong</i>	<i>Honorary Chairman and Executive Director</i>
<i>Mr. Zheng Zu Hua</i>	<i>Executive Director</i>
<i>Mr. Luan You Jun</i>	<i>Executive Director</i>
<i>Mr. Yu Yu Qun</i>	<i>Non-executive Director</i>
<i>Mr. Robert Johnson</i>	<i>Non-executive Director</i>
<i>Dr. Loke Yu</i>	<i>Independent non-executive Director</i>
<i>Mr. Heng Ja Wei</i>	<i>Independent non-executive Director</i>
<i>Mr. Ho Man</i>	<i>Independent non-executive Director</i>

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.