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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)

POSSIBLE ACQUISITION OF ALL THE ISSUED AND OUTSTANDING SHARES OF A COMPANY ENGAGED IN THE MANUFACTURING AND SALE OF FIRE ENGINES AND FIRE EQUIPMENT

The board (the “**Board**”) of directors (the “**Directors**”) of China Fire Safety Enterprise Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 13 January 2017, the Company issued an offer letter (the “**Offer Letter**”) to the agent of shareholders (the “**Sellers**”) of a company engaged mainly in the manufacturing and sale of fire engines and fire equipment in Europe (the “**Target Company**”) in relation to the possible acquisition (the “**Possible Acquisition**”) by the Company from the Sellers of all of the issued and outstanding shares of the Target Company.

The Group was aware that the Sellers intend to dispose of the Target Company through public sale process. Having considered that the Target Company’s product portfolio fits well into the Group’s international strategy and will enable the Group to further penetrate into selected international markets, the Board believes that the Possible Acquisition is beneficial to the Group’s future development. As such, the Company issued the Offer Letter to the agent of the Sellers to make an offer for the Possible Acquisition (the “**Offer**”).

The Offer will automatically lapse (save for the clause in relation to confidentiality) if the Sellers do not accept the Offer by 6 p.m. on 10 February 2017 (Paris time). If the Sellers accept the Offer, the Company and the Sellers will commence the negotiation and finalisation of the formal sale and purchase agreement (the “**Formal Agreement**”) in relation to the Possible Acquisition. Save for the clauses in relation to confidentiality, exclusivity and conduct of business and other general provisions, the terms and conditions of the Offer Letter and the transactions contemplated thereunder shall be subject to the entering into of the Formal Agreement.

In the event that the Possible Acquisition materialises, it may constitute a notifiable transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong

Kong Limited. The Company will make further announcement(s) as and when appropriate.

Shareholders of the Company and other investors should note that the Possible Acquisition may or may not proceed and are advised to exercise caution when dealing in the shares of the Company.

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

As at the date of this announcement, the Company's 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>

Hong Kong, 15 January 2017