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China Fire Safety Enterprise Group Holdings Limited

中國消防企業集團控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 8201)

COMPLETION OF SECOND TRANCHE SUBSCRIPTION

All conditions of the Second Tranche Subscription under the Subscription Agreement were fulfilled or waived on or before 27 March 2006. In accordance with the Subscription Agreement, completion of the Second Tranche Subscription took place on 3 April 2006.
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The board of directors (the “**Board**”) of China Fire Safety Enterprise Group Holdings Limited (the “**Company**”) refer to (i) an announcement (the “**1st Announcement**”) of the Company dated 2 February 2005 in relation to, *inter alia*, a connected transaction involving a proposed issue of new Shares and an option agreement between UTFE and Mr. Jiang Xiong and a proposed application for whitewash waiver by UTFE and Mr. Jiang Xiong, (ii) a circular (the “**Circular**”) of the Company dated 10 March 2005 and (iii) an announcement (the “**2nd Announcement**”) of the Company dated 12 April 2005 in relation to completion of the First Tranche Subscription.. Unless otherwise stated, terms used herein shall have the same meanings as those defined in the 1st and 2nd Announcements and the Circular.

Completion of the Second Tranche Subscription

All the conditions of the Second Tranche Subscription under the Subscription Agreement including, (i) the grant of the listing of and permission to deal in all of the Subscription Shares by the GEM Listing Committee of the Stock Exchange continuing to be in full force and effect; (ii) the grant of the Whitewash Waiver by the Executive remaining valid and not having been withdrawn, terminated, lapsed or other invalidated, or materially modified; (iii) the First Tranche Completion having occurred, has been fulfilled or waived on or before 27 March 2006. In accordance with the Subscription Agreement, completion of the Second Tranche Subscription took place on 3 April 2006.

* for identification only

Shareholding structure of the Company before and after completion of Second Tranche Subscription

The following table sets out the shareholding structure of the Company before and after the completion of the Second Tranche Subscription:

Shareholders	Before completion of Second Tranche Subscription		Upon completion of Second Tranche Subscription	
	Shares	Percentage (%)	Shares	Percentage (%)
Mr. Jiang Xiong	981,600,000	41.31	981,600,000	34.50
Mr. Jiang Qing (Note 1)	7,500,000	0.32	7,500,000	0.26
UTFE	356,000,000	14.98	825,000,000	29.00
Subtotal (Note 2)	1,345,100,000	56.61	1,814,100,000	63.76
Public	1,030,900,000	43.39	1,030,900,000	36.24
Total	2,376,000,000	100.00	2,845,000,000	100.00

Notes:

- (1) Mr. Jiang Qing is the brother of Mr. Jiang Xiong.
- (2) The sub-total number of shares and shareholdings of Mr. Jiang, Mr. Jiang Qing and UTFE.

Mr. Jiang, Mr. Jiang Qing and, pursuant to the Option Agreement, UTFE are parties acting in concert under the Takeovers Code. Upon completion of the Second Tranche Subscription on 3 April 2006, taken together, Mr. Jiang, Mr. Jiang Qing and UTFE control 63.76% of the voting rights attached to the Shares.

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

As at the date of this announcement, the Company's Executive Directors are Mr. Jiang Xiong, Mr. Jiang Qing, Mr. Chen Shu Quan and Mr. Chan Siu Tat; the Non-Executive Directors are Mr. Cheng Kai Tuen, George and Mr. Wat Chi Ping, Isaac; and the Independent Non-Executive Directors are Mr. Liu Shi Pu, Mr. Heng Kwoo Seng and Mr. Pu Rong Sheng.

Hong Kong, 3 April 2006

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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