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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)**

### **INSIDE INFORMATION**

#### **LETTER OF INTENT IN RESPECT OF A POSSIBLE ACQUISITION OF A COMPANY ENGAGED IN THE MANUFACTURING AND SALE OF FIRE ENGINES**

This announcement is made by China Fire Safety Enterprise Group Limited (the “**Company**”) pursuant to Rule 13.09(2) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (the “**SFO**”) (Cap. 571 of the Laws of Hong Kong).

#### **The Letter of Intent**

On 21 September 2015, the Company entered into a letter of intent (the “**LOI**”) with two individuals (the “**Vendors**”) in respect of a possible acquisition of a company established in Changchun, Jilin province which is principally engaged in the development, manufacturing and sale of fire engines (the “**Target Company**”). The Vendors are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Pursuant to the terms of the LOI, the Company may acquire (the “**Possible Acquisition**”) from the Vendors not less than 75% of the equity interests in the Target Company at a consideration to be determined based on, among other things, the fair value of the net assets of the Target Company. The consideration may be settled in cash or by other means to be agreed by the parties to the LOI. The Vendors have granted the Company an exclusive period of eight months commencing the date of the LOI (the “**Exclusive Period**”), during which the Vendors shall not negotiate in any way, reach consensus or entering into agreement, in respect of acquisition of equity interests in or investment in the capital of the Target Company, with any parties other than the Company or persons specified by the Company. The Company may commence due diligence review on the

Target Company in 30 days after the signing of the LOI, in order to facilitate the decision as to whether or not to proceed with the Possible Acquisition. The Company and the Vendors are not obliged to proceed with the Possible Acquisition pursuant to the LOI. The LOI shall lapse at the earliest of the following to occur: (i) the Company and the Vendors mutually agree to terminate the LOI; or (ii) any one of parties to the LOI breaches any terms of the LOI and the non-breaching party decides to terminate the LOI; and (iii) at the expiry of the Exclusive Period during which no definitive agreement in respect of the Possible Acquisition entered into, unless otherwise agreed in writing.

### **Reasons for and benefits of the Possible Acquisition**

The Target Company is in the same line of business as the major subsidiaries of the Company. The Possible Acquisition is beneficial to the Company in terms of the potential enlargement in production capacity, expansion of market and customer coverage, enrichment in product variety and advancement in production techniques.

### **General**

In the event that the Possible Acquisition materialises, it may constitute a notifiable transaction on the part of the Company under the Listing Rules. The Company will make further announcement as and when appropriate pursuant to the requirements under the Listing Rules and the SFO.

**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>Mr. 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>Non-executive Director</i>
<i>Mr. Jiang Qing</i>	<i>Executive Director</i>
<i>Mr. Luan You Jun</i>	<i>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, 21 September 2015