
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Fire Safety Enterprise Group Limited (the “Company”), you should at once hand this circular to the purchasers or the transferees or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchasers or the transferees.

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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)

GENERAL MANDATES TO ISSUE SECURITIES AND REPURCHASE SHARES AND RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A letter from the Board is set out on pages 3 to 5 of this circular.

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange for the purpose of giving information with regard to China Fire Safety Enterprise Group Limited. The Directors of China Fire Safety Enterprise Group Limited collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Notice convening the Annual General Meeting of the Company to be held at Room 2002-03, 20/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 22 June 2012 (Friday) at 2:30 p.m. is set out in this circular. Whether or not you propose to attend the Annual General Meeting, you are requested to complete the proxy form and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the meeting. Completion and delivery of the proxy form will not preclude you from attending and voting at the Annual General Meeting if you so wish.

This circular is available for viewing on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company (www.chinafire.com.cn).

20 April 2012

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Annual General Meeting” or “AGM”	means the annual general meeting of the Company to be held on 22 June 2012 (Friday) at 2:30 p.m., at Room 2002-03, 20/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong, a notice of which is set out on pages 13 to 16 of this circular;
“Board”	means the board of Directors of the Company for the time being or (as the context may require) the majority of Directors (including the independent non-executive Directors) of the Company present and voting at any meeting of the board of Directors of the Company duly convened or a duly authorised committee thereof;
“Companies Law”	means Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
“Company”	means China Fire Safety Enterprise Group Limited;
“Connected Person”	have the meaning ascribed to it under the Listing Rules;
“Directors”	means the Directors of the Company;
“Group”	means the Company and its subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Latest Practicable Date”	means 18 April 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Repurchase Mandate”	means a general mandate, which is proposed to be adopted by an ordinary resolution of the Shareholders at the AGM, to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing such resolution;
“SFO”	means the Securities and Futures Ordinance;
“Share(s)”	means share(s) of HK\$0.01 each (or of such other nominal amount as shall result from a sub-division, a consolidation, a re-classification or a re-construction of such shares from time to time) in the capital of the Company;

DEFINITIONS

“Shareholder(s)”	means holder(s) of the Share(s) from time to time;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder”	means a person who is entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of the Company; and
“Takeovers Code”	means the Codes on Takeovers and Mergers and Share Repurchases published by the Securities and Futures Commission of Hong Kong from time to time.



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)

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Executive Directors:

Jiang Xiong (*Chairman*)

Jiang Qing

Zhang Hai Yan

Wang De Feng

Weng Xiu Xia

Hu Yong

Non-executive Directors:

Jean-Charles Thoumire

Oon Wee Chin

Independent non-executive Directors:

Loke Yu

Heng Ja Wei

Sun Guo Li

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of business
in Hong Kong:*

Room 2002-03, 20th Floor

World Trade Centre

280 Gloucester Road

Causeway Bay, Hong Kong

Principal place of business in the PRC:

No. 8, Section I, Xin Hua Road

Chengdu Cross-Straits Technological

Industry Park

Wenjiang District

Chengdu City

Sichuan Province, PRC

20 April 2012

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SECURITIES AND REPURCHASE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM. These include, amongst others resolutions relating to (i) the renewal of the general mandate to issue securities of the Company; (ii) the renewal of the general mandate to repurchase Shares; and (iii) the re-election of retiring Directors.

LETTER FROM THE BOARD

This circular contains the explanatory statement in connection with the proposed resolutions for the approval of the renewal of the general mandates to issue securities and to repurchase Shares in accordance with the Listing Rules and biographies of the retiring and re-electing Directors.

GENERAL MANDATE TO ISSUE SECURITIES

At the AGM, ordinary resolutions will be proposed to grant a general mandate to the Directors to allot, issue and otherwise deal with securities of the Company not exceeding the sum of 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing such resolution and the aggregate nominal amount of the shares repurchased under the Repurchase Mandate.

At the Latest Practicable Date, the issued share capital of the Company comprised 2,855,000,000 Shares. Subject to the passing of the resolution approving the general mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the general mandate to allot, issue and otherwise deal with not exceeding 571,000,000 Shares, representing 20% of the total issued share capital of the Company.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will also be proposed to grant the Repurchase Mandate to the Directors. The explanatory statement, required by the Listing Rules to be sent to the Shareholders, is set out in the Appendix I to this circular, which contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution for the Repurchase Mandate.

The Repurchase Mandate will expire whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable law of Cayman Islands to be held; and (c) the date on which the authority given is revoked or varied by an ordinary resolution of the Shareholders.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 87 of the articles of association of the Company, Mr. Wang De Feng, Mr. Jean-Charles Thoumire, Mr. Oon Wee Chin, Mr. Heng Ja Wei, and Ms. Sun Guo Li shall retire from office at the conclusion of AGM and, being eligible, offer themselves for re-election.

Brief biographical details of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

The Notice of AGM is set out on pages 13 to 16 of this circular. A proxy form for use at the AGM is enclosed. Whether or not you propose to attend the AGM, you are requested to complete the proxy form and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in

LETTER FROM THE BOARD

accordance with the instructions printed thereon not less than 48 hours before the time appointed for the meeting. Completion and delivery of the proxy form will not preclude you from attending and voting at the AGM if you so wish.

The ordinary resolutions to approve the general mandate to issue securities, the Repurchase Mandate and the re-election of retiring Directors will be proposed at the AGM.

RECOMMENDATION

The relevant resolutions for the aforesaid are set out in the notice of the AGM, which is set out on pages 13 to 16 to this circular. The Directors are of the opinion that (i) the renewal of general mandates to issue securities, (ii) the renewal of the Repurchase Mandate and (iii) the re-election of the retiring Directors, are in the best interests of the Company and its Shareholders and therefore recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,
By Order of the Board
China Fire Safety Enterprise Group Limited
Jiang Xiong
Chairman

This is an explanatory statement given to all Shareholders relating to the resolution to be proposed at the AGM approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules.

1. EXERCISE OF THE REPURCHASE MANDATE

At the Latest Practicable Date, the issued share capital of the Company comprised 2,855,000,000 Shares. Subject to the passing of the resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 285,500,000 Shares, representing 10% of the total issued share capital of the Company.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as it would enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the Listing Rules and the applicable laws and regulations of the Cayman Islands and Hong Kong. The laws of the Cayman Islands provides that the amount of capital repaid in connection with a share repurchase may only be paid out of the profit of the Company or the proceeds of a fresh issue of shares made for such purpose, or if so authorized by its articles of association and subject to the provisions of the Companies Law, out of capital. The amount of premium payable on repurchase may only be paid out of the profit of the Company or out of the share premium account of the Company, or if so authorized by its articles of association and subject to the provisions of the Companies Law, out of capital. The Company will not repurchase Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its audited consolidated financial statements for the year ended 31 December 2011) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing level which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months and up to the Latest Practicable Date prior to the printing of this circular were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
April	0.228	0.195
May	0.206	0.191
June	0.205	0.178
July	0.195	0.177
August	0.180	0.139
September	0.145	0.095
October	0.145	0.098
November	0.146	0.115
December	0.130	0.111
2012		
January	0.148	0.111
February	0.147	0.120
March	0.143	0.122
April (up to the Latest Practicable Date)	0.140	0.120

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

6. DISCLOSURE OF INTEREST

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates, has a present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

7. GENERAL

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code) could, depending on the level of increase of the Shareholder's interests, obtain or consolidate control of the Company and then becomes obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

So far as the Directors are aware, the following table sets out shareholding structure of the Company as at the Latest Practicable Date:

Name of Shareholder	Existing shareholdings		If Repurchase Mandate is exercised in full	
	Number of Shares held	Approximate percentage of shareholding	Number of Shares held	Approximate percentage of shareholding
Jiang Xiong ("Mr. Jiang")	981,600,000	34.38%	981,600,000	38.20%
Jiang Qing	7,500,000	0.26%	7,500,000	0.29%
United Technologies Far East Limited ("UTFE")	<u>825,000,000</u>	<u>28.90%</u>	<u>825,000,000</u>	<u>32.11%</u>
Subtotal	1,814,100,000	63.54%	1,814,100,000	70.60%
Public	<u>1,040,900,000</u>	<u>36.46%</u>	<u>755,400,000</u>	<u>29.40%</u>
Total	<u><u>2,855,000,000</u></u>	<u><u>100%</u></u>	<u><u>2,569,500,000</u></u>	<u><u>100%</u></u>

Note: As mentioned in the paragraph below. Mr. Jiang, Mr. Jiang Qing and UTFE are deemed to be acting in concert under the Takeovers Code. Their aggregate shareholdings are 63.54% of existing issued share capital.

By virtue of the arrangements contemplated under an option agreement entered into between Mr. Jiang and UTFE (pursuant to which Mr. Jiang grant an option to UTFE which when exercised would require Mr. Jiang to sell to UTFE certain number of shares at an exercise price as stipulated in the option agreement), Mr. Jiang, Mr. Jiang Qing (Mr. Jiang's brother) and UTFE are persons acting in concert under the Takeovers Code. Taken together, they hold 63.54% of the Company's voting rights and therefore are required to make a mandatory offer under Rule 26 of the Takeovers Code. Mr. Jiang and UTFE has jointly applied to the executive directors of the Corporate Finance Division of the Securities and Futures Commission (the "Executive") for a Whitewash Waiver in respect of the obligations either or both of UTFE and Mr. Jiang to make a general mandatory offer. The Executive has agreed to grant the Whitewash Waiver which was approved by the independent Shareholders by way of a poll at the extraordinary general meeting of the Company held on 29 March 2005.

Reference is also made to the Company's circular dated 10 March 2005. The maximum potential shareholdings of UTFE, Mr. Jiang and Mr. Jiang Qing in the Company exceed and will in aggregate exceed 52% of the voting rights in the Company and they may increase their shareholdings without incurring any further obligation under Rule 26 of the Takeovers Code to make a general offer.

Therefore, so far as the Directors are aware, no Shareholder or a group of Shareholders acting in concert who may become obliged to make such mandatory offer in the event that the Repurchase Mandate is exercised in full.

However, as mentioned in the Company's circular dated 10 March 2005, UTFE has undertaken to the executive director of the Corporate Finance Division of the SFC that in the event that it exercises the option granted by Mr. Jiang pursuant to an option agreement dated 1 February 2005 between UTFE and Mr. Jiang and acquires the Shares from Mr. Jiang pursuant thereto, it will at the time of such acquisition make a general offer for the Shares in compliance with the Takeovers Code.

Details of the above-mentioned option agreement dated 1 February 2005 are set out in the Company's announcement and circular dated 2 February 2005 and 10 March 2005 respectively.

8. SHARE PURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company during the six months preceding the date of this circular, whether on the Stock Exchange or otherwise.

Mr. Wang De Feng, aged 43, was appointed an executive Director of the Company on 19 September 2006. He is a graduate of the Second Mechanical Engineering Department of the Chongqing University. He joined the Group in 2005. He is a vice president of the Group responsible for overseeing the Group's production and sales of fire engines and fire protection equipment.

No service agreement has been entered into between the Company and Mr. Wang. He has no fixed service terms but is subject to retirement by rotation in accordance with the Company's articles of association. Mr. Wang is entitled to an annual director's fee of HK\$180,000 and discretionary bonus calculated on the basis of performance of the Group but in any events the discretionary bonus for all executive directors shall not exceed 10% of the audited consolidated net profit after taxation and minority interests but before extraordinary and exception items of the Group for that financial year. Mr. Wang has no interest in the shares of the Company within the meaning of Part XV of the SFO and is not a connected person of the other Directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. Apart from the Company, Mr. Wang did not hold any directorship in listed public companies in the last 3 years.

There is no information relating to Mr. Wang that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Saved as disclosed above, the Company is not aware of any matters that need to be brought to the attention of the Shareholders in relation to the re-election of Mr. Wang as a Director.

Mr. Jean-Charles Thoumire, aged 49, was appointed a non-executive Director of the Company on 20 February 2012. He is the Controller of United Technologies Climate, Controls and Security Systems Asia. He holds a Bachelor of Business Administration (Maitrise) Banking & Finance from the European Business School, Paris. Since joining United Technologies Corporation ("UTC") in 1993, Mr. Thoumire has held a series of senior positions in the company. He has extensive experience in management, finance, internal controls and compliance in Europe, North America and Asia.

No service agreement has been entered into between the Company and Mr. Thoumire. He has no fixed service terms but is subject to retirement by rotation in accordance with the Company's articles of association. Mr. Thoumire is not entitled to directors' emoluments of any kind at the current stage. However, should it be considered appropriate in the future, his emoluments will be subject to review of the remuneration committee of the Board with reference to the then prevailing market conditions. Except that Mr. Thoumire is employee of a related company of United Technologies Far East Limited, a substantial shareholder holding 29% of the Company's issued share capital, he have no relationship with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholder of the Company. He has no interest in shares of the Company within the meaning of Part XV of the SFO. Apart from the Company, Mr. Thoumire did not hold any directorship in listed public companies in the last 3 years.

There is no information relating to Mr. Thoumire that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Saved as disclosed above, the Company is not aware of any matters that need to be brought to the attention of the Shareholders in relation to the re-election of Mr. Thoumire as a Director.

Mr. Oon Wee Chin, aged 49, was appointed a non-executive Director of the Company on 20 February 2012. He is the Managing Director of Carrier and Chubb Singapore and Southeast Asia. He holds a Bachelor of Commerce from the University of New South Wales, Sydney, Australia. Mr. Oon joined Carrier Corporation, a subgroup of UTC, in 1989 and is now leading the sales and distribution operations of Carrier, Chubb and UTC Fire & Security in Singapore and Southeast Asia. He has wide variety experience in general management, finance, distribution, marketing, manufacturing and business development in Asia.

No service agreement has been entered into between the Company and Mr. Oon. He has no fixed service terms but is subject to retirement by rotation in accordance with the Company's articles of association. Mr. Oon is not entitled to directors' emoluments of any kind at the current stage. However, should it be considered appropriate in the future, his emoluments will be subject to review of the remuneration committee of the Board with reference to the then prevailing market conditions. Except that Mr. Oon is employee of a related company of United Technologies Far East Limited, a substantial shareholder holding 29% of the Company's issued share capital, he have no relationship with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholder of the Company. He has no interest in shares of the Company within the meaning of Part XV of the SFO. Apart from the Company, Mr. Oon did not hold any directorship in listed public companies in the last 3 years.

There is no information relating to Mr. Oon that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Saved as disclosed above, the Company is not aware of any matters that need to be brought to the attention of the Shareholders in relation to the re-election of Mr. Oon as a Director.

Mr. Heng Ja Wei, aged 34, was appointed an independent non-executive Director on 4 March 2009. He is the Managing Partner of Morison Heng, Certified Public Accountants. He holds a Master of Science degree of the Imperial College, the University of London. He is a member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants. He also serve as an independent non-executive director of Lee & Man Chemical Company Limited and Lee & Man Handbags Holding Limited, companies listed on the Stock Exchange of Hong Kong Limited.

No service agreement has been entered into between the Company and Mr. Heng. He has no fixed service terms but is subject to retirement by rotation in accordance with the Company's articles of association. The director's emoluments, which are determined based on the estimated time to be spent by him on the Company's matters, are HK\$180,000 per annum. Mr. Heng has confirmed his independency pursuant to Rule 3.13 of the Listing Rules. He has no interest in the shares of the Company within the meaning of Part XV of the SFO and is not a connected person of the other Directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company.

There is no information relating to Mr. Heng that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Saved as disclosed above, the Company is not aware of any matters that need to be brought to the attention of the Shareholders in relation to the re-election of Mr. Heng as a Director.

Ms. Sun Guo Li, aged 56, was appointed an independent non-executive Director on 30 August 2011. She is the vice-president of the Sichuan Fire Protection Association. Ms. Sun is a graduate of the Communist Party School, specializing Economics and Management. She has over 20 years experience of working in and managing fire brigades and was the Deputy Commander of the Sichuan Fire Brigades at the time she retired.

No service agreement has been entered into between the Company and Ms. Sun. She has no fixed service terms but is subject to retirement by rotation in accordance with the Company's articles of association. The director's emoluments, which are determined based on the estimated time to be spent by her on the Company's matters, are HK\$180,000 per annum. Ms. Sun has confirmed her independency pursuant to Rule 3.13 of the Listing Rules. She has no interest in the shares of the Company within the meaning of Part XV of the SFO and is not a connected person of the other Directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. Apart from the Company, Ms. Sun did not hold any directorship in any listed public company in the last 3 years.

There is no information relating to Ms. Sun that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Saved as disclosed above, the Company is not aware of any matters that need to be brought to the attention of the Shareholders in relation to the re-election of Ms. Sun as a Director.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Fire Safety Enterprise Group Limited (the “Company”) will be held at Room 2002–03, 20/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 22 June 2012 (Friday) at 2:30 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries (together, the “Group”) and the report of the Directors and auditor for the year ended 31 December 2011;
2. To re-elect retiring Directors of the Company (the “Directors”) and authorise the board of Directors (the “Board”) to fix their remuneration;
3. To re-appoint the auditor Messrs. RSM Nelson Wheeler and authorise the Board to fix their remuneration; and

By way of special business, to consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolution:

ORDINARY RESOLUTIONS

4. **“THAT:**
 - (a) subject to paragraph (c) of this Resolution, the Directors be and are hereby granted an unconditional general mandate to exercise during the Relevant Period (as hereinafter defined in this Resolution) all the power of the Company to allot, issue and deal with additional shares in the Company (the “Shares”) and to allot, issue or grant securities convertible or exchangeable into Shares, or options, warrants or similar rights to subscribe for or acquire Shares or such convertible or exchangeable securities, and to make or grant offers, agreements and options in respect thereof;
 - (b) the mandate referred to in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such power after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital of the Company allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to options or otherwise) by the Directors pursuant to the mandate referred to in paragraph (a), otherwise than pursuant to:
 - (i) a Rights Issue;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the exercise of rights of subscription or conversion under the terms of any options, warrants or similar rights or convertible securities issued by the Company or any securities which are convertible or exchangeable into Shares;
- (iii) the exercise of the subscription rights under options granted under any option scheme or similar arrangement of the Company for the time being adopted for the grant or issue to officers or employees of the Company or any of its subsidiaries or any eligible participants under such scheme or arrangement of Shares or rights to acquire Shares; or
- (iv) any scrip dividend or similar arrangement providing for the allotment and issue of Shares or other securities of the Company in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval in paragraph (a) of this Resolution shall be limited accordingly;

- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution up to:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest; and

“Rights Issue” means an offer of Shares or other securities of the Company open for a period fixed by the Directors to holders of Shares registered on the register of shareholders of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may in their absolute discretion deem necessary, desirable or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors all powers of the Company during the Relevant Period (as hereinafter defined in this Resolution) to repurchase its own shares (the “Shares”), be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(b) the aggregate nominal amount of Shares which may be repurchased by the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange recognised by the Securities and Futures Commission of Hong Kong and the Exchange for this purpose pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution up to:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and

(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting, whichever is the earliest.”

6. “**THAT** conditional upon the passing of Ordinary Resolutions No. 4 and 5 set out in the notice, of which this Resolution forms part, the aggregate nominal amount of share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to and in accordance with the mandate granted under Ordinary Resolution No. 4 be and is hereby increased and extended by the addition thereto of the aggregate nominal amount of the shares in the Company repurchased by the Company pursuant to and in accordance with the mandate granted under Ordinary Resolution No. 5 since the granting of such repurchase mandate, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution.”

By Order of the Board

China Fire Safety Enterprise Group Limited

Li Ching Wah

Company Secretary

Hong Kong, 20 April 2012

NOTICE OF ANNUAL GENERAL MEETING

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:

Room 2002-03, 20th Floor
World Trade Centre
280 Gloucester Road
Causeway Bay
Hong Kong

Principal place of business in the PRC:

No. 8, Section I, Xin Hua Road
Chengdu Cross-Straits Technological Industry Park
Wenjiang District
Chengdu City
Sichuan Province, PRC

Notes:

1. A shareholder of the Company entitled to attend and vote at the Annual General Meeting convened is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
2. In case of a joint holding, the form of proxy may be signed by any joint holder, but if more than one joint holder is present at the meeting, whether in person or by proxy, that one of the joint holders whose name stands first on the register of members in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.
3. To be valid, the form of proxy together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending and voting in person.
4. A form of proxy for the meeting is enclosed with this circular.