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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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**

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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 Gloucester Room II, 3/F, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on 28 May 2010 (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](http://www.hkexnews.hk) as well as the website of the Company ([www.chinafire.com.cn](http://www.chinafire.com.cn)).

29 April 2010

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## DEFINITIONS

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*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 28 May 2010 (Friday) at Gloucester Room II, 3/F, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong at 2:30 p.m., a notice of which is set out on pages 12 to 15 of this circular;
- “Board” means the board of directors for the time being of the Company 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;
- “Company” means China Fire Safety Enterprise Group Limited;
- “Companies Law” means Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
- “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 23 April 2010, 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;

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## DEFINITIONS

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“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;
“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.

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Jiang Xiong (*Chairman*)

Jiang Qing

Wang De Feng

Weng Xiu Xia

Zhang Hai Yan

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Non-executive Directors:*

Xi Zheng Zheng

Harinath Krishnamurthy

*Head office and 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

*Independent non-executive Directors:*

Loke Yu

Sun Jian Guo

Heng Ja Wei

*Principal place of business  
in Hong Kong:*

Room 2002-03, 20th Floor

World Trade Centre

280 Gloucester Road

Causeway Bay, Hong Kong

29 April 2010

*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.

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## **LETTER FROM THE BOARD**

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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, Ms. Zhang Hai Yan, Mr. Harinath Krishnamurthy and Dr. Loke Yu 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.

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## LETTER FROM THE BOARD

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### ANNUAL GENERAL MEETING

The Notice of AGM is set out on pages 12 to 15 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 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 12 to 15 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 2009) 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>
<b>2009</b>		
April	0.300	0.211
May	0.430	0.255
June	0.450	0.335
July	0.425	0.365
August	0.475	0.360
September	0.410	0.330
October	0.350	0.310
November	0.410	0.315
December	0.390	0.315
<b>2010</b>		
January	0.390	0.320
February	0.380	0.315
March	0.370	0.320
April (up to the Latest Practicable Date)	0.370	0.330

#### 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")	825,000,000	28.90%	825,000,000	32.11%
Subtotal	1,814,100,000	63.54%	1,814,100,000	70.60%
Public	1,040,900,000	36.46%	755,400,000	29.40%
Total	<u>2,855,000,000</u>	<u>100%</u>	<u>2,569,500,000</u>	<u>100%</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.

**Ms. Zhang Hai Yan**, aged 37, was appointed as an executive Director of the Company on 5 February 2007. Ms. Zhang joined the Group in 2004 and is responsible for overseeing acquisitions and other development projects of the Group. Ms. Zhang is a graduate of the Jiangnan Petroleum Institute and was elected the Deputy Secretary General and executive of the Fujian Young Entrepreneur Association in 2005.

No service agreement has been entered into between the Company and Ms. Zhang. She has no fixed service terms but is subject to retirement by rotation in accordance with the Company's articles of association. Ms. Zhang 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. Ms. Zhang 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 directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. Apart from the Company, Ms. Zhang did not hold any directorship in listed public companies in the last 3 years other than in the Company.

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

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to the re-election of Ms. Zhang as the executive Director.

**Mr. Harinath Krishnamurthy**, aged 44, was appointed as a non-executive Director of the Company on 17 November 2009. He is the Director Finance, Asia of UTC Fire & security Asia. He holds a Bachelor Degree in commerce where he graduated from Bangalore University (India) and is a qualified Chartered Accountant from Institute of Chartered Accountants of India. Before joining UTC Fire & Security, he held a series management positions at GE Infrastructure, Hercules Inc, Betz and 3M.

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

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

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to the re-election of Mr. Krishnamurthy as the non-executive Director.

**Dr. Loke Yu**, aged 60, was appointed as an independent non-executive Director and a member of the audit committee of the Company on 1 August 2006. Dr. Loke has over 35 years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He holds a Master of Business Administrative Degree from Universiti Teknologi Malaysia and a Doctor of Business Administrative Degree from University of South Australia. He is a Fellow of The Institute of Chartered Accountants in England and Wales; Hong Kong Institute of Certified Public Accountants; and The Hong Kong Institute of Directors. Dr. Loke is also an associate member of The Hong Kong Institute of Chartered Secretaries and a member of Malaysian Institute Accountants. He is the Chairman of MHL Consulting Limited and serves as an independent non-executive director of Bio-Dynamic Group Limited, Matrix Holdings Limited, Scud Group Limited, VODone Limited, Winfair Investment Company Limited and Zhong An Real Estate Limited, companies listed on the Stock Exchange.

No service agreement has been entered into between the Company and Dr. Loke. 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\$150,000 per annum. Dr. Loke 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 Company as defined in the Listing Rules. He does not have any relationships with the directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company.

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

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to the re-election of Dr. Loke as the independent non-executive Director.

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## NOTICE OF ANNUAL GENERAL MEETING

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of China Fire Safety Enterprise Group Limited (the “Company”) will be held at Gloucester Room II, 3/F, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on 28 May 2010 (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 2009;
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;
    - (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;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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;

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## NOTICE OF ANNUAL GENERAL MEETING

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(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, 29 April 2010

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## NOTICE OF ANNUAL GENERAL MEETING

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*Registered office:*

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

*Head office and 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

*Principal place of business in Hong Kong:*

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

*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.