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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)**

### **PLACEMENT OF EXISTING SHARES BY AN EXECUTIVE DIRECTOR AND A SUBSTANTIAL SHAREHOLDER and RESUMPTION OF TRADING**

The Company has been informed by Mr. Jiang and Cantus that they entered into a Placing Agreement with the Placing Agent on 14 October 2004 to place respectively 92.5 million Shares and 80 million Shares to the placees at HK\$0.495 per Share. The Shares to be placed under the Placement represent 8.625% of the existing issued share capital of the Company. The Placing Price represents discounts of approximately 8.33% and 6.60% respectively to the closing price of HK\$0.54 per Share as quoted on the Stock Exchange on 12 October 2004 and the price of HK\$0.53 per Share as quoted on the Stock Exchange immediately before suspension of trading on 13 October 2004. Upon completion of the Placing, Mr. Jiang’s beneficial interests in the Company will be reduced from 100 million Shares to 7.5 million Shares, or from 5% to approximately 0.38%. Cantus’s beneficial interests in the Company will be reduced from 262.65 million Shares to 182.65 million Shares, or from respectively approximately 13.13% to approximately 9.13%.

At the request of the Company, trading in Shares on GEM was suspended with effect from 2:30 p.m. on 13 October 2004, pending release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on 15 October 2004.

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

### **THE PLACEMENT**

China Fire Safety Enterprise Group Holdings Limited (the “**Company**”) has been informed by:

- (1) Mr. Jiang Qing (“**Mr. Jiang**”), an executive director of the Company and holder of 100 million shares of the Company (the “**Shares**”), or 5% of the issued share capital of the Company and
- (2) Cantus Limited (“**Cantus**”), a substantial shareholder of the Company holding 262.65 million Shares, or 13.13% of the issued share capital of the Company,

\* For identification purpose only

that on 14 October 2004 they entered into a placing agreement (the “**Placing Agreement**”) with UOB Kay Hian (Hong Kong) Limited (the “**Placing Agent**”) to place respectively 92.5 million shares and 80 million Shares (the “**Placing Shares**”) at HK\$0.495 to the placees (the “**Placement**”). The Placing Shares (172.5 million Shares in total) represent 8.625% of the existing issued share capital of the Company. The placing price represents discounts of approximately 8.33% and 6.60% respectively to the closing price of HK\$0.54 per Share as quoted on the Stock Exchange on 12 October 2004 and the price of HK\$0.53 per Share as quoted on the Stock Exchange immediately before suspension of trading on 13 October 2004. The Placing Agent and the placees are independent third parties, who are not connected with any of the directors, chief executives, substantial shareholders or management shareholders (as defined in the GEM Listing Rules) of the Company or their respective associates (as defined in the GEM Listing Rules) and are not connected persons of the Company.

The rationale for the Placement is to increase the public float and trading liquidity. Upon completion of the Placement, the percentage of Shares owned by persons who constitute the public for the purposes of the GEM Listing Rules will increase from 27.79% to 36.41%. The Placement is expected to be completed on 19 October 2004.

## **EFFECT OF THE PLACEMENT ON THE SHAREHOLDING STRUCTURES OF THE COMPANY**

The shareholding structures of the Company before and immediately after the Placement are set out as follows:

| <b>Shareholders</b>   | <b>Shareholding structure before the Placement</b> |               | <b>Shareholding structure immediately after the Placement</b> |               |
|---|--|---------------|---|---------------|
|   | <i>(Number of share)</i>                           | <i>(%)</i>    | <i>(Number of share)</i>                                      | <i>(%)</i>    |
| Mr. Jiang Xiong   | 981,600,000  | 49.08         | 981,600,000   | 49.08         |
| Mr. Jiang Qing  | 100,000,000  | 5.00          | 7,500,000   | 0.38          |
| Cantus Limited (Note 1)                                       | 262,650,000  | 13.13         | 182,650,000   | 9.13          |
| The Hong Kong Beijing Finance and Investment Limited (Note 2) | 100,000,000  | 5.00          | 100,000,000   | 5.00          |
| Public  | 555,750,000  | 27.79         | 728,250,000   | 36.41         |
|   | <u>2,000,000,000</u>                               | <u>100.00</u> | <u>2,000,000,000</u>  | <u>100.00</u> |

Note 1: Cantus Limited is ultimately owned by SAS Rue La Boetie, a company incorporated in France.

Note 2: The Hong Kong Beijing Finance and Investment Limited is ultimately owned by the People’s Government of Beijing Municipality.

Mr. Jiang will remain as an executive director of the Company after completion of the Placement.

## GENERAL

At the request of the Company, trading in Shares on GEM was suspended with effect from 2:30 p.m. on 13 October 2004, pending release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on 15 October 2004.

By order of the Board  
**China Fire Safety Enterprise Group Holdings Limited**  
Jiang Xiong  
*Chairman*

As at the date of this announcement, the directors of the Company comprise the following:

Mr. Jiang Xiong (*Executive Director*)

Mr. Jiang Qing (*Executive Director*)

Mr. Chen Shu Quan (*Executive Director*)

Mr. Chan Siu Tat (*Executive Director*)

Mr. Richard Owen Pyvis (*Non-executive Director*)

Ms. Josephine Price (*Non-executive Director*)

Mr. Liu Shi Pu (*Independent non-executive Director*)

Mr. Heng Kwo Seng (*Independent non-executive Director*)

Mr. Xiang Yu Fu (*Independent non-executive Director*)

Hong Kong, 14 October 2004

*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.*

*This announcement will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting.*