

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

(1) PROFIT WARNING;

AND

(2) POSSIBLE DISPOSAL OF THE INSTALLATION BUSINESS

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

PROFIT WARNING

The Board would like to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the unaudited management accounts of the Group for the ten months ended 31 October 2014 and other information currently available to the management of the Group, the Group is expected to record a significant amount of loss for the year ending 31 December 2014.

POSSIBLE DISPOSAL OF THE INSTALLATION BUSINESS

The Group is in discussion with a potential purchaser for the possible disposal of the Installation Business, the disposal value of which is expected to be at a substantial discount to the carrying value and thus impairment on the value of the relevant assets is expected.

This announcement is made by China Fire Safety Enterprise Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 (Cap. 571 of the Laws of Hong Kong). Reference is also made to the announcement of the Company dated 18 November 2014 in relation to the memorandum of understanding (the “**MOU**”) executed by the Company and China International Marine Containers (Group) Ltd. (“**CIMC**”) concerning the possible acquisition from CIMC of a 40% equity interest in

Albert Ziegler GmbH, a company incorporated in Germany which is engaged in the manufacturing and sale of fire engines and fire equipment.

PROFIT WARNING

The board of directors (the “**Board**”) of the Company would like to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the ten months ended 31 October 2014 and other information currently available to the management of the Group, the Group is expected to record a significant amount of loss for the year ending 31 December 2014. Such significant amount of loss is expected to be primarily attributable to the impairment on certain assets including trade and bills receivables, the impairment loss of which may exceed RMB300 million.

The information as disclosed above is only based on a preliminary assessment by the management of the Group on the unaudited management accounts of the Group for the ten months ended 31 October 2014, which is subject to finalisation and has not been audited or reviewed by the Company’s auditors, and other information available to the management of the Group. Details of the Group’s audited final results for the year ending 31 December 2014 are expected to be released by 31 March 2015.

POSSIBLE DISPOSAL OF THE INSTALLATION BUSINESS

Due to the unsatisfactory financial performance of the installation of fire prevention and fighting systems business of the Group (the “**Installation Business**”) in recent years, the Group is considering to dispose of the Installation Business. In addition, pursuant to the terms of the MOU, the Company has to dispose of its non-core businesses which include, amongst the others, the Installation Business. In this respect, the Group is in discussion with a potential purchaser about the possible disposal of the Installation Business. In light of the unfavorable operating environment of the installation industry and the fact that the Installation Business has incurred losses for five consecutive years and the accumulation of a large amount of long outstanding receivables with uncertain recoverability, the disposal value is expected to be at a substantial discount to the carrying value and thus impairment on the value of the relevant assets (as described above) is expected.

As at the date of this announcement, discussions on the possible disposal of the Installation Business and the possible acquisition under the MOU are on-going, no price or terms have been agreed (whether in principle or otherwise) and no agreement (whether binding or non-binding) has been entered into by the Company. In the event that the possible disposal of the Installation Business and/or the possible acquisition under the MOU materialise, the Company will comply with applicable Listing Rules as and when appropriate.

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 Executive Directors are Mr. Jiang Xiong, Mr. Jiang Qing, Mr. Wang De Feng, Ms. Weng Xiu Xia and Mr. Hu Yong; and the Independent Non-Executive Directors are Dr. Loke Yu, Mr. Heng Ja Wei and Ms. Sun Guo Li.

Hong Kong, 19 December 2014