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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)

UPDATE ON PROFIT WARNING ANNOUNCEMENT

This announcement is made by China Fire Safety Enterprise Group Limited (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 SFO (Cap. 571 of the Laws of Hong Kong). Reference is made to the profit warning announcement of the Company dated 19 December 2014 (the “**Profit Warning Announcement**”). Reference is also made to the joint announcement dated 27 February 2015 (the “**Joint Announcement**”) issued by the Company and China International Marine Containers (Group) Co., Ltd. in relation to, among other things, the Acquisition and the Whitewash Waiver. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

Apart from the impairment loss as mentioned in the Profit Warning Announcement, the CFSE Board wishes to update the CFSE Shareholders and potential investors that, based on the latest unaudited consolidated management accounts of the Company for the year ended 31 December 2014, the net loss attributable to equity holders of the Company is expected to be further increased as a result of a further impairment in value of the assets of the Loyal Asset Disposal Group of approximately RMB200 million (the “**Profit Warning Statement**”) to be made with reference to the consideration for the Loyal Asset Disposal under the Loyal Asset Disposal Agreement. The said consolidated management accounts are prepared by the management of the Company for the CFSE Board and have not been audited or otherwise reviewed by the auditor of the Company. The Company is still in the process of finalising the annual results for the year ended 31 December 2014 (the “**Annual Results**”) which is expected to be released on or about 20 March 2015. The information contained in this announcement is based on a preliminary assessment by the management of the CFSE Group on the unaudited management accounts of the CFSE Group for the year ended 31 December 2014.

The Profit Warning Statement constitutes a profit forecast under Rule 10 of the Takeovers Code and requires to be reported on by the Company’s auditor and financial adviser in compliance with Rule 10.4 of the Takeovers Code. Meanwhile, this announcement is required to be made pursuant to Rule 13.09(2)(a) of the Listing Rules, which requires the Company to issue the profit warning announcement as

soon as practicable. Due to the time constraint in issuing this announcement in compliance with the relevant rules and regulations, the Company has difficulty in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code for this announcement. The reports from the Company's auditor and financial adviser on the Profit Warning Statement are normally required to be included in the CFSE Acquisition Circular to be sent to the CFSE Shareholders. However, such report will not be issued if the preliminary announcement of the audited Annual Results (the "**Annual Results Announcement**") is issued before the release of the CFSE Acquisition Circular. **The Company would like to draw the attention of the CFSE Shareholders and potential investors that the Profit Warning Statement does not meet the standard required by Rule 10 of the Takeovers Code. CFSE Shareholders and potential investors should exercise caution in placing reliance on the Profit Warning Statement in assessing the merits and demerits of the Acquisition.** It is expected that the Annual Results Announcement will be issued by the Company on or about 20 March 2015, before to the release of the CFSE Acquisition Circular, which is intended to be despatched to CFSE Shareholders on or before 30 April 2015 as mentioned in the Joint Announcement. An extract of the auditor's report will be included in the Annual Results Announcement and the CFSE Acquisition Circular.

Warning: **The Acquisition is subject to the fulfillment of a number of conditions precedent set out in the Joint Announcement, including but not limited to approval by the CFSE Independent Shareholders at the CFSE EGM of the Acquisition and the Whitewash Waiver, and the granting of the Whitewash Waiver by the Executive. As such, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the CFSE Shares.**

By order of the Board
China Fire Safety Enterprise Group Limited
Li Ching Wah
Company Secretary

Hong Kong, 27 February 2015

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.

All the directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.