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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)**

### **PROFIT WARNING**

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).

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 eleven months ended 30 November 2013 and other information currently available to the management of the Group, the Group is expected to record a significant increase in loss for the year ending 31 December 2013 as compared to that for the year ended 31 December 2012.

In light of the unsatisfactory financial performance of the Group in recent years, the Board resolved to pursue a plan to streamline the Group's businesses and re-direct its focus and resources to the Group's core businesses of production and sale of fire engines, and fire prevention and fighting equipment.

This announcement is made by China Fire Safety Enterprise Group Limited (the "**Company**") 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).

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 management accounts of the Group for the eleven months ended 30 November 2013 and other information currently available to the management of the Group, the Group is expected to record a significant increase in loss for the year ending 31 December 2013 as compared to that for the year ended 31 December 2012. Such significant increase in loss is expected to be primarily attributable to (i) impairment loss on certain assets including trade and bills receivables; and (ii) impairment

loss on certain investments held by the Group.

The information as disclosed above is only based on a preliminary assessment by the management of the Company on the unaudited management accounts of the Group for the year ended 30 November 2013, 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 2013 are expected to be released by 31 March 2014.

In light of the unsatisfactory financial performance of the Group in recent years, the Board resolved to pursue a plan (the "**Plan**") to streamline the Group's businesses and re-direct its focus and resources to the Group's core businesses of production and sale of fire engines, and fire prevention and fighting equipment. It is intended that operation of certain non-core businesses will be ceased or disposed and certain non-performing assets will be disposed by the Group where appropriate. Such non-core businesses or non-performing assets include (i) trading of fire engines; (ii) operation of a guest house in Chengdu; (iii) certain associates which have been making losses for a few years; and (iv) certain subsidiaries which ceased production and operation for a few years save for the leasing of certain vacant production facilities by one of the subsidiaries of the Company. In addition, as disclosed in the interim report of the Company for the six months ended 30 June 2013, the Group had an unaudited trade and bills receivable (the "**Receivables**") of approximately RMB536.4 million, of which approximately 70% were aged over 180 days. In view of the difficulties and uncertainties in recovering the Receivables, the Company is considering to dispose part of the Receivables to certain distressed asset management companies at a discount to the face value thereof in order to recover part of the Receivables and to minimise the possible loss from the write off of the entire carrying amount of the Receivables.

The Company has commenced preliminary discussions with different potential counterparties in relation to the Plan. As at the date of this announcement, such discussions 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 Plan materialises, 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, 30 December 2013

*This announcement is available for viewing on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.chinafire.com.cn](http://www.chinafire.com.cn).*