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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 review of the unaudited management accounts of the Group for the six months ended 30 June 2016 and other information currently available to the management of the Group, it is expected that the profit from continuing operations of the Group for the six months ended 30 June 2016 will decrease by approximately 85% as compared to the corresponding period in 2015.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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).

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 review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2016 and other information currently available to the management of the Group, it is expected that the profit from continuing operations of the Group for the six months ended 30 June 2016 will decrease by approximately 85% as compared to the corresponding period in 2015. The drop in profit was mainly due to (i) drop in revenue caused by the intensifying market competition; (ii) increase in expenditure on research and development on new products; and (iii) the equity-settled share-based

payment in relation to the share options granted to certain directors of the Company and employees of the Group on 26 August 2015.

The information as disclosed above is only based on a preliminary review by the management of the Group on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2016, 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. The actual results of the Group may be different from what is disclosed herein. Details of the Group's financial information will be disclosed as and when the interim results of the Group for the six months ended 30 June 2016 are published in accordance with the requirements of the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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 Directors are as follows:

<i>Dr. Li Yin Hui</i>	<i>Chairman and Non-executive Director</i>
<i>Mr. Jiang Xiong</i>	<i>Honorary Chairman and Executive Director</i>
<i>Mr. Zheng Zu Hua</i>	<i>Executive Director</i>
<i>Mr. Luan You Jun</i>	<i>Executive Director</i>
<i>Mr. Yu Yu Qun</i>	<i>Non-executive Director</i>
<i>Mr. Robert Johnson</i>	<i>Non-executive Director</i>
<i>Dr. Loke Yu</i>	<i>Independent non-executive Director</i>
<i>Mr. Heng Ja Wei</i>	<i>Independent non-executive Director</i>
<i>Mr. Ho Man</i>	<i>Independent non-executive Director</i>

Hong Kong, 3 August 2016