Shanghai Qingpu Fire-Fighting Equipment Co., Ltd.*
上 海 青 浦 消 防 器 材 股 份 有 限 公 司
(a joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 8115)

FIRST QUARTERLY RESULT ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

* *For identification purposes only*

QUARTERLY RESULTS (UNAUDITED)

The Board of Directors (the "Board") of Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. (the "Company", and together with its subsidiaries, collectively the "Group") is pleased to announce the unaudited results of the Group for the three months ended 31 March 2015 together with the unaudited comparative figures for the corresponding period in 2014, as follows:

		Unaudited	
		Three months ended 31 March	
		2015	2014
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**23,140**	37,880
Cost of sales		**(18,884)**	(30,667)
Gross profit		**4,256**	7,213
Other income and gains	*3*	**301**	353
Selling and distribution expenses		**(715)**	(756)
Administrative expenses		**(4,594)**	(3,810)
(Loss)/profit before tax		**(752)**	3,000
Income tax expense	*4*	**(342)**	(587)
(Loss)/profit for the period and total comprehensive (loss)/income for the period		**(1,094)**	2,413
Attributable to:			
Owners of the Company		**(321)**	2,332
Non-controlling interests		**(773)**	81
		(1,094)	2,413
Dividend	*6*	**–**	–
(Loss)/profit per share (RMB)			
— Basic (cents)	*5*	**(0.17)**	1.24
— Diluted (cents)		**(0.17)**	1.24

Notes:

1. GENERAL

Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. (the "Company") was established in the People's Republic of China (the "PRC") as a collective enterprise under the name of Shanghai Qingpu Fire-Fighting Equipment Factory ("上海青浦消防器材廠"). In 1999, it was transformed into a limited liability company. Through a series of equity transfers and capital injections in 2000, the Company was transformed into a joint stock limited liability company on 1 December 2000 and was renamed as Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. ("上海青浦消防器材股份有限公司"). The registered office of the Company is located at No. 1988, Jihe Road, Hua Xin Town, Qingpu District, Shanghai, the PRC and its principal place of business in Hong Kong is situated at Unit 2605, Island Place Tower, 510 King's Road, North Point, Hong Kong.

On 30 June 2004, 55,560,000 new H shares in the Company were issued and listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

During the period, the Group was involved in the following principal activities:

- manufacture and sale of pressure vessels (including fire-fighting equipment products and pressure vessels);
- provision of fire technology inspection services;
- manufacture and trading of iron casted grooved couplings; and
- trading of sanitary-ware and other products.

In the opinion of the directors, the Company's immediate holding company is 聯城消防集團股份有限公司 (literally translated as "Liancheng Fire-Fighting Group Joint Stock Co., Ltd.," "Liancheng"), which is a limited liability company established in the PRC, and the ultimate holding company is 浙江恒泰房地產有限公司 (literally translated as "Zhejiang Hengtai Real Estate Company Limited", "Zhejiang Hengtai"), which is a limited liability company established in the PRC.

2.1 PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed financial statements of the Group have been prepared in accordance with International Accounting Standard ("IAS") No. 34 "Interim Financial Reporting" and International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and the Rules Governing the Listing of Securities on the GEM. The financial information has been prepared under the historical convention, except for investment properties which are measured at fair value.

The condensed financial statements for the three months ended 31 March 2015 are unaudited, but have been reviewed by the audit committee of the Company.

Other than the adoption of the new and revised IFRSs as below, the accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014.

The Group has adopted certain new and revised IFRSs published by the IASB which are effective for up to the accounting year ending 31 December 2015:

Amendments to IAS 19	Defined Benefit Plans: Employee Contribution
Annual Improvements 2010–2012 Cycle	Amendments to a number of IFRSs
Annual Improvements 2011–2013 Cycle	Amendments to a number of IFRSs
Annual Improvements 2012–2014 Cycle	Amendments to a number of IFRSs

The adoption of these new and revised IFRSs had not had any significant impact on the results for the current or prior accounting periods and, accordingly, no prior period adjustment has been required.

3. TURNOVER, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents income arising from the Group's principal activities, being manufacture and sale of pressure vessels (including fire fighting equipment products and pressure vessels), provision of fire technology inspection services, manufacture and trading of iron casted grooved couplings and trading of sanitary-ware and other products, net of business tax, value-added tax, trade discounts and returns during the period.

An analysis of the Group's revenue, other income and gains is as follows:

	Unaudited Three months ended 31 March	
	2015	2014
	RMB'000	*RMB'000*
Revenue		
Sales of pressure vessels	**19,053**	20,273
Inspection service fees	**2,433**	1,718
Sales of iron casted grooved couplings	**–**	510
Sales of sanitary-ware and other products	**–**	15,379
Commission income on trading of sanitary-ware and other products	**1,654**	–
	23,140	37,880
Other income and gains		
Interest income	**11**	50
Gross rental income	**265**	186
Sales of scraps	**25**	117
	301	353
Total revenue, other income and gains	**31,680**	38,233

4. INCOME TAX

No provision for Hong Kong profits tax have been made as the Group had no assessable profits arising in Hong Kong during the period (three months ended 31 March 2014: Nil). Under the Corporate Income Tax Law, the corporate income tax ("CIT") rate is calculated at a rate of 25% (three months ended 31 March 2014: 25%) on the Group's estimated assessable profits for the period ended 31 March 2015.

Pursuant to an approval document issued by the Shanghai Municipal Bureau of Local Taxation, one of the Company's subsidiaries has been designated as a small low-profit services enterprise and was subject to the concessionary tax rate of 2.5%. Under the Corporate Income Tax Law, the CIT rate is calculate at a rate of 25% on the 10% revenue generated by one of the Company's subsidiaries for the periods ended 31 March 2014 and 2015.

	Unaudited Three months ended 31 March	
	2015	2014
	RMB'000	*RMB'000*
Current tax — PRC		
Provision for the period	**342**	587

The Group did not have any material unprovided deferred tax for the three months ended 31 March 2015 and 2014 as the temporary differences are immaterial.

5. (LOSS)/PROFIT PER SHARE

The calculation of the basic (loss)/profit per share for the three months ended 31 March 2015 is based on the loss attributable to equity holders of the Company of approximately RMB321,000 (three months ended 31 March 2014: profit approximately RMB2,332,000), and on the number of 187,430,000 ordinary shares (31 March 2014: 187,430,000) in issue during the period.

No adjustment has been made to the basic earnings per share amounts for the three months ended 31 March 2015 and 2014 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

6. DIVIDEND

No dividend have been paid or declared by the Group during the three months ended 31 March 2015 (three months ended 31 March 2014: Nil).

7. EQUITY

	Attributable to owners of the Company									
	Share capital *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Statutory reserve fund *RMB'000*	Discretionary common reserve fund *RMB'000*	Asset revaluation reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
As at 1 January 2015	18,743	10,910	43,655	6,238	1,500	11,299	(6,199)	86,146	(1,645)	84,501
Loss for the period and total comprehensive loss for the period	–	–	–	–	–	–	(321)	(321)	(773)	(1,094)
As at 31 March 2015	18,743	10,910	43,655	6,238	1,500	11,299	(6,520)	85,825	(2,418)	83,407
As at 1 January 2014:	18,743	10,910	43,655	5,870	1,500	11,299	(13,126)	78,851	(333)	78,518
Profit for the period and total comprehensive income for the period	–	–	–	–	–	–	2,332	2,332	81	2,413
As at 31 March 2014	18,743	10,910	43,655	5,870	1,500	11,299	(10,794)	81,183	(252)	80,931

8. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties, which also constitute continuing connected transactions under the GEM Listing Rules, during the period:

	Unaudited Three months ended 31 March	
	2015	2014
	RMB'000	*RMB'000*
Sales of goods		
上海石化消防工程有限公司 (literally translated as "Shanghai Petro-Chemical Fire-fighting Engineering Company Limited", "SPFE")	**61**	214
上海聯滬消防器材有限公司 (literally translated as "Shanghai Lianhu Fire-fighting Equipment Company Limited", "SLFE")	**18**	1,248
	79	1,462

	Unaudited Three months ended 31 March	
	2015	2014
	RMB'000	*RMB'000*
Services income		
SPFE	**34**	42

In the opinion of the board of directors, the above transactions were carried out in the normal course of business of the Group and at prices and terms comparable with those charged by and contracted with third parties.

BUSINESS AND FINANCIAL REVIEW

Turnover

For the three months ended 31 March 2015, the Group recorded a turnover of approximately RMB23,140,000 (three months ended 31 March 2014: RMB37,880,000), representing a decrease of approximately 39% over the corresponding period of last year because customers stop ordering or ordering less due to the weak economic environment in China. In addition, change in business model from sales of sanitary-ware and other products to commission income received on trading of sanitary-ware and other products also lead to the decrease in turnover compared with the period ended 31 March 2014.

Gross profit

For the three months ended 31 March 2015, the Group recorded overall gross profit of approximately RMB4,256,000 (three months ended 31 March 2014: RMB7,213,000). The gross profit ratio is approximately 18% comparing to 19% for the three months ended 31 March 2014. The drop in gross profit ratio mainly attribute to the decrease in gross profit in certain types of products due to price competition.

Other income and gains

Other income and gains for the three months ended 31 March 2015 decreased by approximately RMB52,000 from RMB353,000 for the three months ended 31 March 2014 to approximately RMB301,000. This is mainly due to decrease in sales of scraps because of the decrease in production.

Selling and distribution expenses

For the three months ended 31 March 2015, the Group's selling and distribution expenses decreased to approximately RMB715,000 from RMB756,000, representing a decrease of 5% over the corresponding period of last year. This is mainly because of the decrease in sales.

Administrative expenses

For the three months ended 31 March 2015, the Group's administrative expenses amounted to approximately RMB4,594,000 (three months ended 31 March 2014: RMB3,810,000), representing an increase of approximately 21% over the corresponding period of last year. The increase was mainly attribute to the tighten up of environment protection policies in Shanghai leading to extra spending on related improvements.

Finance costs

No finance costs were recorded for the three months ended 31 March 2015 and 2014.

Loss/profit for the period

For the three months ended 31 March 2015, the Group recorded a loss for the period of approximately RMB1,094,000 (three months ended 31 March 2014: profit RMB2,413,000). The loss was primary attributable to the decrease in sales and gross profit margins because of the weak economic environment in China and the increase in production costs and administration expenses due to the tighten up of environmental protection policies in Shanghai.

Income tax

Pursuant to the relevant PRC tax regulations, the normal Enterprise Income Tax ("EIT") rate is 25%.

The EIT is calculated on the estimated assessable profits at 25% for the three months ended 31 March 2015 (three months ended 31 March 2014: 25%).

The effective tax rate of the Group is 45% for the three months ended 31 March 2015 (three months ended 31 March 2014: 20%). It is due to a net loss in a subsidiary offset net profits arising from other subsidiaries of the Group.

Non-controlling interests

For the three months ended 31 March 2015, loss for the period attributable to non-controlling interests is approximately RMB773,000 (three months ended 31 March 2014: Profit RMB81,000).

PROSPECT

The Company's fire extinguisher products cover three categories, carbon dioxide, water-based, and dry powder. The wide product range offered by the Company can meet the diversified needs of the customers. In addition, the Company's fire extinguishers for non-marine use are granted the Certificate for Product Type Approval by the CCCF and its fire extinguishers for marine use are granted the Certificates of Type Approval by the China Classification Society, Shanghai Branch ("CCS"). The Company's pressure cylinders have obtained the manufacture licence in the PRC and they meet the quality standards or requirements of the USA and the European Union.

Measures have been and will be implemented continuously to improve the operation efficiency and to control production costs. Production will be more focused on higher-margin products and production of lower-margin products will be reduced to raise the overall profit margin of the Company. With the economic uncertainties continue to grow in China in 2015, the Company intends to improve the profitability of the Group by increasing the operation efficiency and reducing the overhead expenses. Production in Shanghai Qingpu Fire Fighting Equipment Company Limited, Jiangshan Branch Company ("Jiangshan Branch") has been stopped as part of overhead expenses reduction plan in 2014. During the year, the Company has tried to consolidate the production plants to enhance the production efficiency. However, due to the rapid changes in market situations, the consolidation has not yet been completed. The Company is still looking for opportunities to improve the effectiveness and efficiency of the Company's business, not only by consolidation of production plants, but other opportunities such as merger and acquisition of business which has synergy with the existing business of the Company when opportunities come.

The Company considers that there is business potential in the market for the provision of fire consulting and testing services as there are approximately 25 companies licensed to provide such services in Shanghai, but according to the Shanghai government policy, all new buildings are required to pass the fire safety test and all existing buildings are subject to annual fire safety inspection. The Company is considering to expand into such business and/or related business in Shanghai and/or other Provinces in China.

LONG TERM STRATEGY

We believe that the Company, with our experienced management team, firm and clear development directions, the manufacturing of quality products and the provision of quality services, will be able to sharpen our competitive edge. The Company will continue to develop new market of higher-margin products/businesses and also prudently consider acquiring relevant enterprises which possess sound profitability by way of capital increment in accordance with the relevant laws and regulations in order to accelerate the growth of our profitability so that the Company will become a major enterprise in the manufacturing and sale of fire-fighting equipment and relevant business in the PRC and overseas. The Group is also actively seeking for opportunity to consolidate production procedures and plants in order to further reduce overhead expenses and maximize production efficiency.

DIRECTORS' AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2015, the interests and short positions of the Directors and supervisors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors as referred to in Rule 5.46 of the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules"), were as follows:

Long positions in shares of the Company

Name	Capacity	Number of shares	Approximate percentage of total issued share capital
Mr. Zhou Jin Hui *(Note 1)*	Held by controlled corporation	133,170,000	71.05%

Note:

1. Liancheng Fire-Fighting Group Company Limited holds 131,870,000 domestic shares of the Company. Liancheng Fire Protection Group (Hong Kong) Company Limited, a 100% subsidiary of Liancheng Fire-Fighting Group Company Limited, holds 1,300,000 H shares of the Company. Zhejiang Hengtai Real Estate Joint Stock Co., Ltd. owns 80% of Liancheng Fire-Fighting Group Company Limited and Mr. Zhou Jin Hui owns 58% of Zhejiang Hengtai Real Estate Joint Stock Co., Ltd. Accordingly, Mr. Zhou Jin Hui was deemed to be interested in 131,870,000 domestic shares and 1,300,000 H shares in the Company.

Save as disclosed above, as at 31 March 2015, none of the Directors and supervisors of the Company has any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2015, the following persons (other than the Director and supervisors of the Company) have interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions in shares of the Company

Name of Shareholders	Capacity	Number of shares	Approximate percentage of total issued share capital
Liancheng Fire-Fighting Group Company Limited	Beneficial owner	131,870,000 *(Note 1)*	70.36%
	Held by controlled corporation	1,300,000 *(Note 2)*	0.69%
Zhejiang Hengtai Real Estate Joint Stock Co., Ltd.	Held by controlled corporation	131,870,000 *(Note 1)*	70.36%
	Held by controlled corporation	1,300,000 *(Note 2)*	0.69%

Notes:

1. All represented domestic shares of the Company.

2. Liancheng Fire-Fighting Group Company Limited holds 131,870,000 domestic shares of the Company. Liancheng Fire Protection Group (Hong Kong) Company Limited, a 100% subsidiary of Liancheng Fire-Fighting Group Company Limited, holds 1,300,000 H shares of the Company. Zhejiang Hengtai Real Estate Joint Stock Co., Ltd. owns 80% of Liancheng Fire-Fighting Group Company Limited and Mr. Zhou Jin Hui owns 58% of Zhejiang Hengtai Real Estate Joint Stock Co., Ltd. Accordingly, Zhejiang Hengtai Real Estate Joint Stock Co., Ltd. and Mr. Zhou Jin Hui were deemed to be interested in 131,870,000 domestic shares and 1,300,000 H shares in the Company.

   Liancheng Fire-Fighting Group Company Limited is owned as to 80% by Hengtai Real Estate, 20% by Mr. Zhou Jin Hui.

Save as disclosed above, the Company has not been notified of any other relevant interests representing 5 percent or more in the issued shares capital of the Company as at 31 March 2015.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

To the best knowledge of the Board, save as disclosed in note 8 of this announcement, no contracts of significance in relation to the Company's business to which the Company was a party and in which any persons who were Directors and supervisors of the Company during the three months ended 31 March 2015 had a material interest, whether directly or indirectly, subsisted at 31 March 2015 or at any time during the three months ended 31 March 2015.

MATERIAL ACQUISITION

The Group did not have any material acquisitions during the three months ended 31 March 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the three months ended 31 March 2015, the Company did not purchase, sell or redeem any of the Company's listed securities.

CORPORATE GOVERNANCE

Pursuant to Rule 18.44(2) and Appendix 16 of the GEM Listing Rules, the Company wish to state that it has complied with all code provisions set out in the Code on Corporate Governance Practices contained in the Appendix 15 of the GEM Listing Rules (the "Code") during the year.

(1) Corporate Governance Practices

The Company is committed to promoting good corporate governance, with the objectives of (i) the maintenance of responsible decision making, (ii) the improvement in transparency and disclosure of information to shareholders, (iii) the continuance of respect for the rights of shareholders and the recognition of the legitimate interests of the shareholders, and (iv) the improvement in management of risk and the enhancement of performance by the Company. The Company has applied Appendix 15 of the GEM Listing Rules with these objectives in mind.

(2) Directors' Securities Transactions

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of the Directors of the Company, all Directors have complied with the required standard of dealings and code of conduct regarding securities transactions by directors.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") established with written terms of reference in compliance with GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls of the Group and to provide advice to the Directors of the Company.

The Audit Committee comprises one non-executive Director Ms. Chai Xiao Fang and two independent non-executive Directors, namely Mr. Yang Chun Bao and Mr. Song Zi Zhang.

The Audit Committee has reviewed the Group's unaudited results for the three months ended 31 March 2015 and has provided advice and comments thereon.

By order of the Board
Shanghai Qingpu Fire-Fighting Equipment Co., Ltd.
Zhou Jin Hui
Director

Hong Kong, 11 May 2015

As at the date of this announcement, the executive Directors are Mr. Zhou Jin Hui (Chairman), Mr. Shi Hui Xing (Chief Executive Officer) and Mr. Zhou Guo Ping; the non-executive Directors are Ms. Chai Xiao Fang and Mr. Shen Jian Zhong; and the independent non-executive Directors are Mr. Wang Guo Zhong, Mr. Yang Chun Bao and Mr. Song Zi Zhang.

This announcement, for which the Directors collectively and individually accept full responsibilities, 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will be published on the GEM website on the "Latest Company Announcement" page for at least 7 days from the date of publication.