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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 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*

INTERIM RESULTS (UNAUDITED)

The Board of Directors (the "Board") of Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. (the "Company", together with its subsidiaries, collectively the "Group") is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2015. For the six months ended 30 June 2015, the unaudited revenue is approximately RMB39,945,000, representing a decrease of approximately RMB38,961,000 or approximately 49% as compared with that of the same period in 2014. The Group has recorded a profit of approximately RMB102,000 for the six months ended 30 June 2015 representing a decrease of approximately 98% as compared with the profit of approximately RMB4,693,000 for the corresponding period in 2014 but a turnaround from a loss in first quarterly result for the period ended 31 March 2015.

The unaudited condensed consolidated financial statements of the Group for the three months and six months ended 30 June 2015 together with the unaudited comparative figures for the corresponding period in 2014 are as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

		Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
		2015	2014	**2015**	2014
	Notes	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue	*4*	**16,805**	41,026	**39,945**	78,906
Cost of sales		**(12,318)**	(33,587)	**(31,202)**	(64,254)
Gross profit		**4,487**	7,439	**8,743**	14,652
Other income and gains	*4*	**803**	313	**1,104**	666
Selling and distribution expenses		**(780)**	(661)	**(1,495)**	(1,417)
Administrative expenses		**(2,807)**	(4,213)	**(7,401)**	(8,023)
Profit before tax	*5*	**1,703**	2,878	**951**	5,878
Income tax expense	*6*	**(507)**	(598)	**(849)**	(1,185)
Profit for the period and total comprehensive income for the period		**1,196**	2,280	**102**	4,693
Attributable to:					
Owners of the Company		**1,176**	2,190	**855**	4,522
Non-controlling interests		**20**	90	**(753)**	171
		1,196	2,280	**102**	4,693
Earnings per share attributable to ordinary equity holders of the Company	*8*				
— Basic *(RMB cent(s))*		**0.63**	1.17	**0.46**	2.41
— Diluted *(RMB cent(s))*		**0.63**	1.17	**0.46**	2.41

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**Unaudited As at 30 June 2015** ***RMB'000***	Audited As at 31 December 2014 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**11,072**	11,957
Investment properties	*10*	**27,140**	27,140
Prepaid land lease payments		**109**	119
Total non-current assets		**38,321**	39,216
CURRENT ASSETS			
Inventories		**13,716**	15,648
Trade and bills receivables	*11*	**23,897**	15,664
Prepayments, deposits and other receivables		**6,898**	14,804
Due from fellow subsidiaries	*12*	**1,174**	1,674
Cash and bank balances		**33,082**	36,211
Total current assets		**78,767**	84,001
CURRENT LIABILITIES			
Trade payables	*13*	**8,708**	9,870
Other payables and accruals	*14*	**4,818**	10,422
Due to the immediate holding company	*15*	**906**	906
Due to non-controlling interest	*15*	**1,451**	1,451
Due to a related company	*15*	**2,798**	2,798
Tax payable		**941**	406
Total current liabilities		**19,622**	25,853
NET CURRENT ASSETS		**59,145**	58,148
TOTAL ASSETS LESS CURRENT LIABILITIES		**97,466**	97,364
NON-CURRENT LIABILITIES			
Loan from the immediate holding company	*15*	**7,800**	7,800
Deferred tax liabilities		**5,063**	5,063
Total non-current liabilities		**12,863**	12,863
Net assets		**84,603**	84,501

	Notes	**Unaudited As at 30 June 2015 *RMB'000***	Audited As at 31 December 2014 *RMB'000*
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*16*	**18,743**	18,743
Reserves		**68,258**	67,403
		87,001	86,146
Non-controlling interests		**(2,398)**	(1,645)
Total equity		**84,603**	84,501

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Issued capital	Share premium	Capital reserve	Statutory reserve fund	Discretionary common reserve fund	Asset revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2015										
Balance at 1 January 2015	**18,743**	**10,910**	**43,655**	**6,238**	**1,500**	**11,299**	**(6,199)**	**86,146**	**(1,645)**	**84,501**
Profit for the period and total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**855**	**855**	**(753)**	**102**
Balance at 30 June 2015	**18,743**	**10,910***	**43,655***	**6,238***	**1,500***	**11,299***	**(5,344)***	**87,001**	**(2,398)**	**84,603**
Six months ended 30 June 2014										
Balance 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	–	–	–	–	–	–	4,522	4,522	171	4,693
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	(255)	(255)
Balance at 30 June 2014	18,743	10,910*	43,655*	5,870*	1,500*	11,299*	(8,604)*	83,373	(417)	82,956

* These reserve accounts comprise the consolidated reserves of approximately RMB68,258,000 (30 June 2014: RMB64,630,000) in the condensed consolidated statement of financial position.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Net cash flows (used in)/from operating activities	**(3,065)**	7,144
Net cash flows used in investing activities	**(64)**	(439)
Net cash flows from financing activities	**–**	600
Net (decrease)/increase in cash and cash equivalents	**(3,129)**	7,305
Cash and cash equivalents at beginning of period	**36,211**	25,267
Cash and cash equivalents at end of period	**33,082**	32,572

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 its former 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 (the "Stock Exchange").

During the period, there were no significant changes in the Group's principal activities, which are:

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

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 consolidated 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 of the Stock Exchange of Hong Kong Limited ("GEM Listing Rules"). The financial information has been prepared under the historical convention, except for investment properties that are measured at fair value.

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

New and revised IFRSs

In the current interim period, the Group has adopted, for the first time, the following new and revised standards and interpretations (the "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

The adoption of these new and revised IFRSs had not had any significant impact on the results and financial position of the Group.

Issued but not yet effective IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

IFRS 9	Financial Instruments[3]
IFRS 14	Regulatory Deferred Accounts[3]
IFRS 15	Revenue from Contracts with Customers[2]
Annual Improvements 2012–2014 Cycle	Amendments to a number of IFRSs[1]

1 Effective for annual periods beginning on or after 1 January 2016.
2 Effective for annual periods beginning on or after 1 January 2017.
3 Effective for annual periods beginning on or after 1 January 2018.

The Group is in the process of making an assessment of impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs are unlikely to have a significant impact on both the Group's result of operations and financial position.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five (six months end 30 June 2014: five) reportable operating segments as follows:

(i) Fire-fighting equipment segment — manufacture and sale of pressure vessels (including fire-fighting equipment products and pressure vessels products);

(ii) Inspection services segment — provision of fire technology inspection services;

(iii) Grooved couplings segment — manufacture and trading of iron casted grooved couplings;

(iv) Trading segment — trading of sanitary-ware and other products, as principal and as agent; and

(v) Property investment segment — invests in office building and industrial properties for its rental income potential.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income and finance costs, as well as head office and corporate expenses are excluded from such measurement.

The Group operates principally in the PRC. Over 90% of the Group's revenue is derived from sales of goods and rendering of services in the PRC and over 90% of the Group's assets are located in the PRC. Accordingly, no further disclosures by reportable segments based on geographical segment were made.

Segment liabilities exclude amount due to/loan from immediate holding company, tax payables and deferred tax liabilities as these liabilities are managed on a group basis.

Six months ended 30 June 2015
(Unaudited)

	Fire fighting equipment *RMB'000*	Inspection services *RMB'000*	Trading *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Segment revenue:					
Sales/services provided to external customers	26,871	5,336	7,738	–	39,945
Gross rental income	–	–	–	732	732
	26,871	5,336	7,738	732	40,677
Segments results	1,267	2,673	3,309	695	7,944
Reconciliation:					
Corporate and unallocated expenses					(6,993)
Profit before tax					951
Segment assets	75,210	2,182	12,556	27,140	117,088
Unallocated assets					–
Total assets					117,088
Segment liabilities	13,297	228	–	–	13,525
Unallocated liabilities					18,960
Total liabilities					32,485
Capital expenditure*	56	–	–	–	56
Depreciation and amortisation	620	96	–	–	716

Six months ended 30 June 2014
(Unaudited)

	Fire fighting equipment *RMB'000*	Inspection services *RMB'000*	Grooved couplings *RMB'000*	Trading *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Segment revenue:						
Sales/services provided to external customers	42,710	3,736	510	31,950	–	78,906
Gross rental income	–	–	–	–	393	393
	42,710	3,736	510	31,950	393	79,299
Segments results	60	1,592	48	3,879	373	5,952
Reconciliation:						
Corporate and unallocated expenses						(74)
Profit before tax						5,878
Segment assets	80,158	8,079	–	16,884	24,370	129,491
Unallocated assets						–
Total assets						129,491
Segment liabilities	24,645	1,200	–	4,856	–	30,701
Unallocated liabilities						15,834
Total liabilities						46,535
Capital expenditure*	67	–	–	5	–	72
Depreciation and amortisation	906	101	–	5	–	1,012

* Capital expenditure consists of additions to property, plant and equipment.

Information about a major customer

Revenue from transactions with a single external customer of approximately RMB7,738,000, which represented more than 10% of the Group's revenue, was derived from trading of products segment (period ended 30 June 2014: RMB28,735,000). This customer is an independent third party.

4. REVENUE, 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 products), provision of fire technology inspection services, manufacture and trading of iron casted grooved couplings and sales and commission income from 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 30 June		**Unaudited Six months ended 30 June**	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Revenue				
Sales of pressure vessels	**7,818**	22,437	**26,871**	42,710
Inspection service rendered	**2,903**	2,018	**5,336**	3,736
Trading of iron casted grooved couplings	**–**	–	**–**	510
Trading of sanitary-ware and other products	**5,880**	16,571	**5,880**	31,950
Commission income on trading of sanitary-ware and other products	**204**	–	**1,858**	–
	16,805	41,026	**39,945**	78,906
Other income and gains				
Interest income	**125**	58	**136**	108
Sundry income	**25**	–	**25**	–
Gross rental income	**467**	207	**732**	393
Sales of scraps	**186**	48	**211**	165
	803	313	**1,104**	666
Total revenue, other income and gains	**17,608**	41,339	**41,049**	79,572

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging the following items:

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Amortisation of prepaid land lease payment	**5**	1	**10**	2
Depreciation on property, plant and equipment	**350**	500	**706**	1,010
Operating lease rentals for land and buildings	**140**	75	**273**	155
Staff costs	**2,930**	3,007	**6,108**	6,397
Auditors' remuneration	**–**	–	**–**	–

6. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the period (six months ended 30 June 2014: Nil). Under the Corporate Income Tax Law, the corporate income tax ("CIT") rate is calculated at a rate of 25% on the Group's estimated assessable profits for the six months ended 30 June 2015 and 2014.

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Current tax — PRC				
Provision for the period	**507**	598	**849**	1,185

The Group did not have any material unprovided deferred tax for the six months ended 30 June 2015 and 2014 as the temporary differences are immaterial.

7. DIVIDEND

No dividend have been paid or declared by the Group during the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the earnings per share for the six months ended 30 June 2015 is based on the profits attributable to ordinary equity holders of the Company of approximately RMB855,000 (six months ended 30 June 2014: approximately RMB4,522,000), and on the number of 187,430,000 (30 June 2014: 187,430,000) ordinary shares in issue during the period.

No adjustment has been made to the basic earnings per share amounts for six months ended 30 June 2015 and 2014 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

9. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Machinery *RMB'000*	Furniture, fixtures and equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
30 June 2015 (Unaudited)					
At 1 January 2015, net of accumulated depreciation	**3,029**	**7,931**	**370**	**627**	**11,957**
Additions	**–**	**56**	**–**	**–**	**56**
Disposals	**–**	**–**	**–**	**(235)**	**(235)**
Depreciation provided during the period	**(49)**	**(550)**	**(42)**	**(65)**	**(706)**
At 30 June 2015, net of accumulated depreciation	**2,980**	**7,437**	**328**	**327**	**11,072**
31 December 2014 (Audited)					
At 1 January 2014, net of accumulated depreciation	2,991	9,890	292	832	14,005
Additions	136	167	167	63	533
Write off	–	–	–	(1)	(1)
Disposals	–	(155)	(1)	(4)	(160)
Depreciation provided during the period	(98)	(1,971)	(88)	(263)	(2,420)
At 31 December 2014, net of accumulated depreciation	3,029	7,931	370	627	11,957

The buildings were held in the PRC under medium leases.

10. INVESTMENT PROPERTIES

	Unaudited 30 June 2015 ***RMB'000***	Audited 31 December 2014 *RMB'000*
Carrying amount at beginning of period/year	**27,140**	24,370
Net gain from a fair value adjustment	**–**	2,770
Carrying amount at the end of the period/year	**27,140**	27,140

The investment properties were held in the PRC under medium term leases.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 17(a) to this announcement.

11. TRADE AND BILLS RECEIVABLES

	Unaudited 30 June 2015 *RMB'000*	Audited 31 December 2014 *RMB'000*
Trade receivables	**24,515**	17,529
Less: Impairment	**(1,909)**	(1,909)
	22,606	15,620
Bills receivable	**1,291**	44
	23,897	15,664

The Group's trading terms with its customers are mainly on credit, expect for new customers, where payment in advance is normally required. The credit period is generally two months, extending up to half year for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at 30 June 2015, based on the invoice date, is as follows:

	Unaudited 30 June 2015 *RMB'000*	Audited 31 December 2014 *RMB'000*
Within 1 month	**8,846**	5,822
1 to 2 months	**6,248**	2,502
2 to 3 months	**4,875**	1,657
Over 3 months	**3,928**	5,683
	23,897	15,664

12. DUE FROM FELLOW SUBSIDIARIES

Name	*Note*	**Unaudited 30 June 2015 *RMB'000***	Audited 31 December 2014 *RMB'000*
Fellow subsidiaries			
上海石化消防工程有限公司 (literally translated as "Shanghai Petro-Chemical Fire-fighting Engineering Company Limited", "SPFE")	*(i)*	**430**	1,007
上海聯滬消防器材有限公司 (literally translated as "Shanghai Lianhu Fire-fighting Equipment Company Limited", "SLFE")	*(i)*	**744**	667
		1,174	1,674

Note:

(i) SPFE and SLFE are controlled by Zhejiang Hengtai, the ultimate holding company of the Group. The amounts due from these fellow subsidiaries are unsecured, interest-free and have no fixed terms of repayments. These balances as at 31 December 2014 and 30 June 2015 were trade in nature.

13. TRADE PAYABLES

An aged analysis of the trade payables as at 30 June 2015, based on the invoice date, is as follows:

	Unaudited 30 June 2015 *RMB'000*	Audited 31 December 2014 *RMB'000*
Within 1 month	**1,946**	2,562
1 to 2 months	**105**	1,903
2 to 3 months	**1,295**	1,613
Over 3 months	**5,362**	3,792
	8,708	9,870

14. OTHER PAYABLES AND ACCRUALS

	Unaudited 30 June 2015 *RMB'000*	Audited 31 December 2014 *RMB'000*
Other payables	**912**	2,315
Accruals	**311**	1,591
Advances from customers	**2,604**	6,282
VAT payable	**991**	234
	4,818	10,422

15. DUE TO/LOAN FROM IMMEDIATE HOLDING COMPANY AND DUE TO NON-CONTROLLING INTERESTS AND A RELATED COMPANY

On 3 December 2010, Zhejiang Hengtai (the ultimate controlling shareholder) and Liancheng (the immediate holding company) have undertaken to collectively provide to the Company with an unsecured interest-free shareholders' loan facility in the sum of not exceeding RMB50 million (the "Facility") for a term of five years from 30 May 2010. The Facility could be extended at the discretion of Liancheng for another two years. On 30 November 2014, Liancheng agreed to further extend the term of the Facility to 30 May 2016. As at 30 June 2015, the accumulated amount of the loan drawn-down by the Company from Liancheng under the Facility was RMB7,800,000 (31 December 2014: RMB7,800,000).

Liancheng has also made advances to certain subsidiaries of the Company. These amounts due to Liancheng are unsecured, interest-free and have no fixed terms of repayments.

The amounts due to non-controlling interest and a related company are unsecured, interest-free and have no fixed terms of repayments.

The shareholder of the related company is one of the directors of the Company.

16. SHARE CAPITAL

	Unaudited 30 June 2015 *RMB'000*	Audited 31 December 2014 *RMB'000*
Registered, issued and fully paid:		
131,870,000 unlisted domestic shares ("Domestic Shares") of RMB0.10 each	**13,187**	13,187
55,560,000 overseas listed foreign invested shares ("H Shares") of RMB0.10 each	**5,556**	5,556
	18,743	18,743

17. OPERATING LEASE COMMITMENTS

(a) As lessor

The Group leases its investment properties under operating leases arrangements with the leases negotiated for terms ranging from 3 to 5 years. The terms of the lease generally also require the tenants to pay security deposits and provide for periodic rent adjustment according to the then prevailing market conditions.

At 30 June 2015, the Group had total future minimum lease receivable under non-cancellable operating leases with its tenants falling due as follows:

	Unaudited 30 June 2015 *RMB'000*	Audited 31 December 2014 *RMB'000*
Within one year	**972**	2,102
In the second to fifth years, inclusive	**1,348**	1,124
	2,320	3,226

(b) As lessee

The Group leases certain land and buildings from an independent party under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 10 years.

As at 30 June 2015, the total future minimum lease payments in respect of non-cancellable operating leases for land and buildings are as follows:

	Unaudited 30 June 2015 *RMB'000*	Audited 31 December 2014 *RMB'000*
Within one year	**595**	458
Over one year but within 5 years	**1,737**	2,321
After 5 years	**1,058**	1,143
	3,390	3,922

18. COMMITMENTS

Except for the operating lease arrangements, the Group did not have any significant capital and other commitments at the end of the reporting period.

19. RELATED PARTY TRANSACTIONS

(a) 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 30 June		**Unaudited Six months ended 30 June**	
	2015 *RMB'000*	2014 *RMB'000*	**2015** *RMB'000*	2014 *RMB'000*
Sales of goods				
SPFE	**76**	322	**137**	536
SLFE	**79**	280	**97**	1,528
	155	602	**234**	2,064
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.

SPFE and SLFE are controlled by Zhejiang Hengtai, the ultimate holding company of the Group.

(b) Compensation of key management personnel of the Group during the period was as follow:

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Fees:				
Executive directors	**–**	–	**–**	–
Independent non-executive directors	**23**	23	**45**	45
	23	23	**45**	45
Other emoluments:				
Salaries, allowances and benefits in kind	**54**	24	**108**	60
Pension scheme contributions	**–**	–	**–**	–
	54	24	**108**	60
	77	47	**153**	105

20. CONTINGENT LIABILITIES

At the end of the reporting period, the Group had no material contingent liabilities.

BUSINESS AND FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2015, the Group recorded a revenue of approximately RMB39,945,000 (six months ended 30 June 2014: RMB78,906,000), representing a decrease of approximately 49% over the corresponding period of last year. This is because customers stop ordering or ordering less due to the weak economic environment in China. In addition, in order to reduce the inherit credit risk, there was a change in the business model in relation to the trading of sanitary-ware and other products from conducting the transactions as a principal to as an agent during the quarter ended 30 June 2015, resulting the change of booking from a "gross" basis in sales and costs of sales for the quarter ended 30 June 2014 to a net basis with only commission income being booked for the period ended 30 June 2015, resulting a decrease in revenue for the quarter when compared with the corresponding quarter last year. However, the Group recorded a turnaround from a loss in first quarterly result for the three months ended 31 March 2015.

Cost of sales and gross profit

For the six months ended 30 June 2015, the Group's cost of sales amounted to approximately RMB31,202,000 (six months ended 30 June 2014: RMB64,254,000), representing a decrease of approximately 51% over the corresponding period of last year. The main components of cost of sales for the Group are cost of trading products, raw materials, mainly steel and aluminum, and labour cost.

For the six months ended 30 June 2015, the Group recorded overall gross profit of approximately RMB8,743,000 (six months ended 30 June 2014: gross profit of approximately RMB14,652,000), representing a gross profit ratio of 22% comparing to 18% for the corresponding period of last year. The increase was mainly attributed to change in business model from sales of sanitary-ware and other products to commission income received on trading of sanitary-ware and other products.

Other revenue and income

For the six months ended 30 June 2015, other revenue and income reached approximately RMB1,104,000 (six months ended 30 June 2014: RMB666,000). Increase in other revenue and income for the six months ended 30 June 2015 was mainly due to the increase in rental income.

Selling and distribution expenses

For the six months ended 30 June 2015, the Group incurred selling and distribution expense of approximately RMB1,495,000, representing an increase of approximately RMB78,000 over the corresponding period of last year. Selling and distributing expenses increased while revenue decreased because transportation cost and labour cost are up during the period.

Administrative expenses

For the six months ended 30 June 2015, the Group's administrative expenses amounted to approximately RMB7,401,000 (six months ended 30 June 2014: RMB8,023,000), representing a decrease of approximately 8% over the corresponding period of last year. This is mainly because of tighter control on administrative expenses.

Finance costs

No finance costs were recorded for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

Profit for the period

For the six months ended 30 June 2015, the Group recorded profit for the period of approximately RMB102,000 (six months ended 30 June 2014: RMB4,693,000), representing a decrease of approximately 98%, primarily attributable to customers stop ordering or ordering less due to the weak economic environment in China.

Income tax

Pursuant to the Corporate Income Tax Law, the Corporate Income Tax ("CIT") rate is 25%.

The CIT is calculated on the estimated assessable profits at 25% for the six months ended 30 June 2015 and 2014.

Net current assets

As at 30 June 2015, the Company had current assets of approximately RMB78,767,000, based on which, the current ratio was 4.01 (31 December 2014: 3.25). The current liabilities decreased from RMB25,853,000 as at 31 December 2014 to RMB19,622,000 as at 30 June 2015. Current assets as at 30 June 2015 mainly comprised inventories of approximately RMB13,716,000 (31 December 2014: RMB15,648,000), trade and bills receivables of approximately RMB23,897,000 (31 December 2014: RMB15,664,000), prepayments, deposits and other receivables of approximately RMB6,898,000 (31 December 2014: RMB14,804,000) and cash and bank deposits of approximately RMB33,082,000 (31 December 2014: RMB36,211,000). Current liabilities mainly comprised trade payables of approximately RMB8,708,000 (31 December 2014: RMB9,870,000), other payables and accrued charges of approximately RMB4,818,000 (31 December 2014: RMB10,422,000).

Borrowings

The Group did not have any bank borrowings as at 31 December 2014 and 30 June 2015.

Gearing ratio

The Group's gearing ratio as at 30 June 2015 was 38% (31 December 2014: 46%), which was expressed as a percentage of the total liabilities divided by the total equity.

Capital structure and financial resources

As at 30 June 2015, the Group had net assets of approximately RMB84,603,000 (31 December 2014: RMB84,501,000). The Group's operations are financed principally by internal sources, shareholders' borrowings and shareholders' equity.

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 30 June 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 holds 131,870,000 domestic shares of the Company. Liancheng Fire Protection Group (Hong Kong) Company Limited, a 100% subsidiary of Liancheng, holds 1,300,000 H shares of the Company. Zhejiang Hengtai owns 80% of Liancheng and Mr. Zhou Jin Hui owns 58% of Zhejiang Hengtai. 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.

   Liancheng is owned as to 80% by Zhejiang Hengtai, 20% by Mr Zhou Jin Hui.

Save as disclosed above, as at 30 June 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 30 June 2015, the following persons, other than Directors and supervisors of the Company, had an interests and a 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 registered 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 holds 131,870,000 domestic shares of the Company. Liancheng Fire Protection Group (Hong Kong) Company Limited, a 100% subsidiary of Liancheng, holds 1,300,000 H shares of the Company. Zhejiang Hengtai owns 80% of Liancheng and Mr. Zhou Jin Hui owns 58% of Zhejiang Hengtai. Accordingly, Zhejiang Hengtai. 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 is owned as to 80% by Zhejiang Hengtai, 20% by Mr Zhou Jin Hui.

Save as disclosed above, the Company has not been notified of any other person had relevant interests representing 5% or more in the issued shares capital of the Company as at 30 June 2015.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

To the best knowledge of the Board, no contracts of significance in relation to the Company's business to which the Company was a party and in which any person who were Directors or supervisors of the Company during the six months ended 30 June 2015 had a material interest, whether directly or indirectly, subsisted at 30 June 2015 or at any time during the six months ended 30 June 2015.

EMPLOYEES

As at 30 June 2015, the Group had 283 employees (30 June 2014: 303 employees). Remuneration is determined by reference to market terms and the performance, qualifications, and experience of individual employee. Other benefits include contributions to retirement scheme.

Under relevant local government regulations, the Company is required to make contributions to a defined contribution retirement scheme for all qualified employees in the PRC. The Company has, in compliance with relevant local government regulations, made payment for such scheme during the year. The Company has no obligation for the payment of other retirement and non-retirement benefits of employees other than the contributions described above.

The Company has not experienced any significant labour disputes or strikes which have led to the disruption of its normal business operations. The Directors consider that the Company's relationship with its employees to be good.

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

During the six months ended 30 June 2015, the Company did not purchase, sell or redeem any of the Company's listed securities.

DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

CORPORATE GOVERNANCE

Pursuant to rule 18.44(2) and Appendix 16 of the GEM Listing Rules, the Company hereby 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 six months ended 30 June 2015.

(1) Corporate Governance Practices

The Company is committed to promoting good corporate governance, with the objectives of (i) the maintenance of responsible decision making procedure, (ii) the improvement in transparency of information disclosure 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 in 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 established an audit committee (the "Audit Committee") 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 of the Company, namely Mr. Yang Chun Bao and Mr. Song Zi Zhang.

The Audit Committee has reviewed the Group's unaudited results for the six months ended 30 June 2015.

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

Hong Kong, 10 August 2015

As at the date of this announcement, the executive Directors are Mr. Zhou Jin Hui (Chairman), Mr. Shi Hui Xing 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 responsibility, 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 remain on the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its publication.