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 2012

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement. This announcement, for which the directors (the "Directors") of Shanghai Qingpu Fire-Fighting Equipment Co. Ltd. collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, 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.

* *For identification purpose only*

INTERIM RESULTS (UNAUDITED)

The Board of Directors (the "Board") of Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. (the "Company", together with its subsidiary, collectively the "Group") is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2012. For the six months ended 30 June 2012, the unaudited revenue is approximately RMB19,253,000, representing an increase of approximately RMB3,058,000 or approximately 19% as compared with that of the same period in 2011. The Group has recorded a profit of approximately RMB2,341,000 for the six months ended 30 June 2012 representing a decrease of approximately 71% as compared with the profit of approximately RMB8,002,000 for the corresponding period in 2011.

The unaudited condensed consolidated financial statements of the Group for the three months and six months ended 30 June 2012 together with the unaudited comparative figures for the corresponding period in 2011 ("the Relevant Periods") are as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Three months ended 30 June		Six months ended 30 June	
		2012	2011	**2012**	2011
	Notes	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue	*3*	**10,709**	9,464	**19,253**	16,195
Cost of sales		**(8,046)**	(7,037)	**(14,778)**	(12,903)
Gross profit		**2,663**	2,427	**4,475**	3,292
Other income and gains	*3*	**671**	7,448	**1,346**	7,531
Selling and distribution costs		**(451)**	(69)	**(642)**	(141)
Administrative expenses		**(1,289)**	(1,525)	**(2,748)**	(2,633)
Operating profit/(loss)	*5*	**1,594**	8,281	**2,431**	8,049
Finance costs	*6*	**–**	–	**–**	–
Profit/(loss) before taxation		**1,594**	8,281	**2,431**	8,049
Income tax expenses	*7*	**(53)**	(47)	**(90)**	(47)
Profit/(loss) for the period and total comprehensive income for the period		**1,541**	8,234	**2,341**	8,002
Profit/(loss) for the period and total comprehensive income for the period attributable to:					
Owners of the Company		**1,476**	8,207	**2,248**	7,975
Non-controlling interests		**65**	27	**93**	27
		1,541	8,234	**2,341**	8,002
Earnings/(loss) per share attributable to ordinary equity holders of the Company – Basic (RMB cents)	*9*	**0.8**	4.4	**0.1**	4.3

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited As at 30 June 2012 RMB'000	Audited As at 31 December 2011 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**10,650**	11,210
Investment properties	11	**22,150**	22,150
Prepaid land lease payments		**126**	128
Total non-current assets		**32,926**	33,488
CURRENT ASSETS			
Inventories		**5,920**	6,065
Trade receivables	12	**7,859**	8,879
Prepayments, deposits and other receivables		**2,652**	2,833
Due from fellow subsidiaries		**2,208**	1,453
Loans receivable from former controlling shareholder		**–**	–
Cash and bank balances		**9,366**	6,756
Total current assets		**28,005**	25,986
CURRENT LIABILITIES			
Trade payables	13	**3,869**	4,517
Other payables and accruals	14	**3,908**	4,179
Tax payable		**84**	49
Total current liabilities		**7,861**	8,745
NET CURRENT ASSETS		**20,144**	17,241
TOTAL ASSETS LESS CURRENT LIABILITIES		**53,070**	50,729
NON-CURRENT LIABILITIES			
Due to the immediate holding company		**(1,800)**	(1,800)
Net assets		**51,270**	48,929
EQUITY			
Equity attributable to owners of the Company			
Issued capital	15	**18,743**	18,743
Reserves		**32,037**	29,789
Total equity attributable to equity owners of the Company		**50,780**	48,532
Non-controlling interests		**490**	397
Total equity		**51,270**	48,929

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Issued capital *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Statutory common 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*
Six months ended 30 June 2012										
Balance at 1 January 2012	**18,743**	**10,910**	**24,079**	**5,036**	**1,500**	**15,065**	**(26,801)**	**48,532**	**397**	**48,929**
Profit for the period and total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**2,248**	**2,248**	**93**	**2,341**
Balance at 30 June 2012	**18,743**	**10,910**	**24,079**	**5,036**	**1,500**	**15,065**	**(24,553)**	**50,780**	**490**	**51,270**
Six months ended 30 June 2011										
Balance at 1 January 2011	18,743	10,910	22,799	3,734	1,500	–	(40,347)	17,339	–	17,339
Profit for the period and total comprehensive income for the period	–	–	–	–	–	–	7,975	7,975	27	8,002
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	296	296
Balance at 30 June 2011	18,743	10,910	22,799	3,734	1,500	–	(32,372)	25,314	323	25,637

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Net cash flows from/(used in) operating activities	**2,895**	(867)
Net cash flows used in investing activities	**(285)**	(6,118)
Net cash flows used in financing activities	**–**	–
Net increase/(decrease) in cash and cash equivalents	**2,610**	(6,985)
Cash and cash equivalents at beginning of period	**6,756**	11,770
Cash and cash equivalents at end of period	**9,366**	4,785

Notes:

1. GENERAL

Shanghai Qingpu Fire-Fighting Equipment Co., Limited (the "Company") was incorporated as a joint stock company with limited liability in the People's Republic of China (the "PRC") on 1 December 2000 and its H shares were listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong ("SEHK") on 30 June 2004.

The Company is principally engaged in manufacturing and sale of fire-fighting equipment products. The principal activity of the Company's subsidiary is the provision of fire technology consulting, testing and inspection services.

The directors of the Company are of the opinion that the Company considered its immediate holding company to be 聯城消防集團股份有限公司, a company established with limited liability in the PRC and its ultimate holding company to be 浙江恒泰房地產有限公司, a company established with limited liability in the PRC.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Company and its subsidiary (collectively 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 SEHK ("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 2011.

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 2012:

IAS 12 Amendment	Amendments to IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets
IFRS 7 Amendment	Amendments to IFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets

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.

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

IAS 1 Amendment	Presentation of financial statement – Other Comprehensive Income[1]
IAS 19 Amendment	Employee benefits[2]
IAS 27	Separate Financial Statements[2]
IAS 28	Investments in Associate and Joint Ventures[2]
IAS 32 Amendment	Presentation – Offsetting Financial Assets and Liabilities[3]
IFRS 7 Amendment	Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets[2]
IFRS 9 and IFRS 9 Amendment	Financial Instruments[4]
IFRS 10	Consolidated Financial Statement[2]
IFRS 11	Joint Arrangement[2]
IFRS 12	Disclosure of Interests in other entities[2]
IFRS 13	Fair Value Measurement[2]

1 *Effective for annual periods beginning on or after 1 July 2012*
2 *Effective for annual periods beginning on or after 1 January 2013*
3 *Effective for annual periods beginning on or after 1 January 2014*
4 *Effective for annual periods beginning on or after 1 January 2015*

The Group is in the process of making an assessment of the 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 the both Group's results of operations and financial position.

3. REVENUE, OTHER INCOME AND GAINS

The Group's revenue, also comprises the Group's turnover, is derived principally from the net invoiced value of the sale of fire-fighting equipment products and the net invoiced value of fire technology consulting, testing and inspection services rendered.

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**	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Revenue				
Sales of goods	**8,662**	8,835	**15,820**	15,566
Services rendered	**2,047**	629	**3,433**	629
	10,709	9,464	**19,253**	16,195
Other income and gains				
Interest income	**–**	17	**–**	17
Sundry income	**75**	267	**64**	151
Gross rental income	**493**	184	**986**	326
Bargain purchase arising from consolidation	**–**	861	**–**	861
Reversal of impairment loss of loan receivable from former controlling shareholder *(note 5)*	**–**	6,000	**–**	6,000
Sales of scrap	**103**	119	**296**	176
	671	7,448	**1,346**	7,531
Total revenue, other income and gains	**11,380**	16,912	**20,599**	23,726

4. SEGMENT INFORMATION

The Group manages its businesses by business lines (products and services). Segment information is presented in a manner consistent with the way in which the information is reported internally to Group's management for the purposes of resource allocation and performance assessment.

The Group has the following two segments:

(i) Sales of fire-fighting equipment segment – manufacture and sales of fire-fighting equipment products; and

(ii) Consulting and testing services segment – provision of fire technology consulting, testing and inspection services.

Six months ended 30 June 2012	Sales of fire-fighting equipment *RMB'000*	Consulting and testing services *RMB'000*	Total *RMB'000*
Revenue	15,820	3,433	19,253
Segment results	515	930	1,445
Unallocated revenue and cost			986
Profit before tax			2,431
Tax			(90)
Profit for the period			2,341
Segment assets	33,725	5,056	38,781
Unallocated segment assets			22,150
Total assets			60,931
Segment liabilities	7,528	249	7,777
Unallocated segment liabilities			1,884
Total liabilities			9,661
Capital expenditure	251	34	285
Depreciation	747	98	845

No segment information is presented for the six months ended 30 June 2011 as the Group is principally engaged in one operating segment which is sale of fire-fighting equipment.

The Group operates in the PRC and its major assets are located in the PRC, no geographical segment information is presented.

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting) the following items:

	Unaudited Three months ended 30 June		**Unaudited Six months ended 30 June**	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Amortisation of prepaid land lease payment	**1**	4	**2**	9
Depreciation on property, plant and equipment	**400**	749	**845**	1,157
Operating lease rentals for land and buildings	**284**	156	**462**	251
Staff costs	**1,074**	999	**1,949**	1,869
Auditors' remuneration	**–**	–	**–**	–
Bargain purchase arising from consolidation	**–**	(861)	**–**	(861)
Reversal of impairment of loan receivable from former controlling shareholder*	**–**	(6,000)	**–**	(6,000)

* *Reversal of impairment of loan receivable from former controlling shareholder is included in other income and gains in the condensed consolidated statement of comprehensive income.*

6. FINANCE COSTS

	Unaudited Three months ended 30 June		**Unaudited Six months ended 30 June**	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Interest on bank borrowings wholly repayable within 5 years	**–**	–	**–**	–

7. 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 2011: Nil).

PRC Enterprise Income Tax has been provided at 25% on the Group's estimated assessable profits for the period (six months ended 30 June 2011: 25%) after offsetting against the tax losses brought forward from previous years.

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax – PRC		
Provision for the period	**90**	47

The tax effect of temporary differences for deferred tax assets was not recognised in the financial statements due to the uncertainty of future profits streams against which the assets can be utilised. These tax losses will expire in the next five years.

8. DIVIDEND

No dividend have been paid or declared by the Group during the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the earnings per share for the six months ended 30 June 2012 is based on the profits attributable to ordinary equity holders of the Company of RMB2,248,000 (six months ended 30 June 2011: RMB7,975,000), and the weighted average number of approximately 187,430,000 (30 June 2011: 187,430,000) ordinary shares in issue during the period.

Diluted earnings per share have not been calculated, as there were no dilutive potential ordinary shares during the six months ended 30 June 2011 and 2012.

10. PROPERTY, PLANT AND EQUIPMENT

	Construction in progress *RMB'000*	Buildings *RMB'000*	Machinery *RMB'000*	Furniture, fixtures and equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
30 June 2012						
At 1 January 2012, net of accumulated depreciation	671	2,267	7,311	175	786	11,210
Additions	–	233	13	39	–	285
Transfer from construction in progress	(671)	671	–	–	–	–
Depreciation provided during the period	–	(165)	(521)	(48)	(111)	(845)
At 30 June 2012, net of accumulated depreciation	–	3,006	6,803	166	675	10,650
31 December 2011						
At 1 January 2011, net of accumulated depreciation	–	3,372	8,703	148	148	12,371
Additions	671	102	596	37	26	1,432
Acquisition of a subsidiary	–	–	68	64	761	893
Surplus on revaluation	–	15,065	–	–	–	15,065
Transfer to investment properties	–	(16,206)	–	–	–	(16,206)
Write off	–	–	(20)	–	–	(20)
Disposals	–	–	(328)	(10)	–	(338)
Depreciation provided during the year	–	(66)	(1,708)	(64)	(149)	(1,987)
At 31 December 2011, net of accumulated depreciation	671	2,267	7,311	175	786	11,210

The buildings were held in the PRC under medium leases.

11. INVESTMENT PROPERTIES

	Unaudited	Audited
	At 30 June	At 31 December
	2012	2011
	RMB'000	*RMB'000*
At beginning of period/year	**22,150**	–
Transfer from owner-occupied property and prepaid land lease payments	**–**	16,800
Additions	**–**	5,154
Gain from fair value adjustment	**–**	196
At the end of the period/year	**22,150**	22,150

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

12. TRADE RECEIVABLES

	Unaudited	Audited
	30 June	31 December
	2012	2011
	RMB'000	*RMB'000*
Trade receivables	**7,859**	8,879

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally two to three months, extending up to three to four months for overseas customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department 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 2012, based on the invoice date, is as follows:

	Unaudited	Audited
	30 June	31 December
	2012	2011
	RMB'000	*RMB'000*
0 – 30 days	**2,934**	2,913
31 – 60 days	**2,594**	913
61 – 90 days	**1,301**	1,454
Over 90 days	**1,030**	3,599
	7,859	8,879

The aged analysis of the trade receivables that are not or neither individually nor collectively considered to be impaired is as follows:

	Unaudited 30 June 2012 *RMB'000*	Audited 31 December 2011 *RMB'000*
Neither past due nor impaired	**6,830**	5,112
Less than 1 month past due	**1,014**	1,413
1 to 3 months past due	**15**	1,138
More than 3 months past due	**–**	1,216
	7,859	8,879

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

13. TRADE PAYABLES

An aged analysis of the trade payables as at 30 June 2012, based on invoice date, is as follows:

	Unaudited 30 June 2012 *RMB'000*	Audited 31 December 2011 *RMB'000*
0 – 30 days	**1,010**	1,189
31 – 60 days	**439**	874
61 – 90 days	**367**	253
Over 90 days	**2,053**	2,201
	3,869	4,517

14. OTHER PAYABLES AND ACCRUALS

	Unaudited 30 June 2012 ***RMB'000***	Audited 31 December 2011 *RMB'000*
Other payables	**3,115**	2,282
Accruals	**475**	1,173
Advances from customers	**161**	322
VAT payable	**157**	402
Provision for loss on financial guarantees *(note a)*	**–**	–
Provision for bank loan related expenses *(note b)*	**–**	–
	3,908	4,179

a) Provision for loss on financial guarantees provided by the Company to secure for the underlying bank loans granted to a former related company which were defaulted by it together with interests accrued, penalty interests and legal costs. The movement of the provision is as follows:

	Unaudited 30 June 2012 ***RMB'000***	Audited 31 December 2011 *RMB'000*
At beginning of period/year	**–**	190
Charge for the period/year	**–**	–
Settlement of the bank loans by the ex-related company	**–**	(190)
At the end of period/year	**–**	–

b) Provision for bank loan related expense represents the interests accrued, penalty interests and legal costs to be paid for the related bank loans. The movements are as follows:

	Unaudited 30 June 2012 ***RMB'000***	Audited 31 December 2011 *RMB'000*
At beginning of period/year	**–**	5,065
Repayment for the period/year	**–**	(5,065)
At the end of period/year	**–**	–

15. SHARE CAPITAL

Registered, issued and fully paid

	Number of shares	Ordinary shares of RMB0.1 each
		RMB'000
As at 30 June 2012 and 31 December 2011	187,430,000	18,743

16. CAPITAL RESERVE

	Reversal of revaluation surplus of property, plant and equipment	Waiver of amount due to immediate holding company	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2011	(1,733)	24,532	22,799
Waiver of amount due to the immediate holding company	–	1,280	1,280
At 31 December 2011 and 30 June 2012	(1,733)	25,812	24,079

In connection with a transfer of equity capital between investors of Shanghai Qingpu Fire-Fighting Equipment Factory in 1996, the Company's property, plant and equipment was revalued, and a revaluation surplus of approximately RMB1,733,000 was recorded as paid-in capital in its PRC GAAP financial statements. In the Group's financial statements prepared under IFRS, all property, plant and equipment was stated at historical cost. Accordingly, an adjustment of the same amount was recorded as a deficit of capital reserve.

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 31 December 2011, the Group had total future minimum lease receivable under non-cancellable operating leases with its tenant falling due as follows:

	Unaudited At 30 June 2012	Audited At 31 December 2011
	RMB'000	*RMB'000*
Within one year	**461,175**	503,100
In the second to fifth years, inclusive	**–**	83,850
After five years	**–**	–
	461,175	586,950

(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 2012, the total future minimum lease payments in respect of non-cancellable operating leases for land and buildings are as follows:

	Unaudited At 30 June 2012	Audited At 31 December 2011
	RMB'000	*RMB'000*
Within one year	**737**	704
Over one year but within 5 years	**2,596**	3,110
After 5 years	**1,285**	1,050
	4,618	4,864

18. CAPITAL COMMITMENT

At the end of the reporting period, the Group had no material capital commitment.

19. CONTINGENT LIABILITIES

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

20. EVENT AFTER REPORTING PERIOD

The Group did not have any material events after the reporting period.

BUSINESS AND FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2012, the Group recorded a revenue of approximately RMB19,253,000 (six months ended 30 June 2011: RMB16,195,000), representing an increase of approximately 19% over the corresponding period of last year. As the increasing stability of orders received by the sales department of the Company and sale of new products developed continually improved the revenue.

Cost of sales and gross profit

For the six months ended 30 June 2012, the Group's cost of sales amounted to approximately RMB14,778,000 (six months ended 30 June 2011: RMB12,903,000), representing an increase of approximately 15% over the corresponding period of last year.

For the six months ended 30 June 2012, the Group recorded overall gross profit of approximately RMB4,475,000 (six months ended 30 June 2011: gross profit of approximately RMB3,292,000), representing an increase of 10 percentage points to 20% from 10% of corresponding period of last year. Such increase was primarily attributable to increase in turnover as a result of the Group's improvement in control of sales cost, as well as new products/services with a higher margin.

Other revenue and income

For the six months ended 30 June 2012, other revenue and income reached approximately RMB1,346,000 (six months ended 30 June 2011: RMB7,531,000). Other revenue and income for the six months ended 30 June 2012 was primarily comprised revenue from the sales of waste amounting to RMB296,000 and the rental income amounting to approximately RMB986,000.

Selling and distribution costs

For the six months ended 30 June 2012, the Group incurred selling and distribution costs of approximately RMB642,000, representing an increase of approximately 4.6 times over the corresponding period of last year. This was due to the increase of agent fee.

Administrative expenses

For the six months ended 30 June 2012, the Group's administrative expenses amounted to approximately RMB2,748,000 (six months ended 30 June 2011: RMB2,633,000), representing an increase of approximately 4% over the corresponding period of last year, primarily attributable to the increase in salaries.

Finance costs

No finance costs were recorded for the six months ended 30 June 2012 because the Group had fully repaid the bank borrowings during the year ended 31 December 2011 (six months ended 30 June 2011: Nil).

Profit for the period

For the six months ended 30 June 2012, the Group recorded profit for the period of approximately RMB2,341,000 (six months ended 30 June 2011: loss of RMB8,002,000), representing a decrease of approximately RMB5,661,000, primarily attributable to the decrease in other income and gains.

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 six months ended 30 June 2012 after offsetting against tax losses brought forward from previous years (six months ended 30 June 2011: Nil).

No deferred tax assets has been recognised in respect of tax losses as the Group cannot ascertain its earning position in the foreseeable future.

Net current assets

As at 30 June 2012, the Company has net current assets of approximately RMB20,144,000, based on which, the current ratio was 3.56 (31 December 2011: 2.97). The current liabilities decreased from RMB8,745,000 as at 31 December 2011 to RMB7,861,000 as at 30 June 2012. Current assets as at 30 June 2012 mainly comprised inventories of approximately RMB5,920,000, accounts receivables of approximately RMB7,859,000, prepayments, deposits and other receivables of approximately RMB2,652,000, receivables from fellow subsidiaries of approximately RMB2,208,000 and cash and bank deposits of approximately RMB9,366,000. Current liabilities mainly comprised trade payables of approximately RMB3,869,000, other payables and accrued charges of approximately RMB3,908,000.

Borrowings

The Group did not have any bank borrowings as at 31 December 2011 and 30 June 2012. Accordingly, the Group's gearing ratio as at 30 June 2012 was Nil (31 December 2011: Nil), which was expressed as a percentage of the total bank borrowings over total assets.

Capital structure and financial resources

As at 30 June 2012, the Group had net assets of approximately RMB51,270,000 (31 December 2011: RMB48,929,000). The Group's operations are financed principally by internal sources, shareholders' borrowings and shareholders' equity.

Outlook

The demand for fire-safety and fire-fighting systems will keep lifting in the PRC against the backdrop of the rapid development of the PRC's real estate industry and the enhanced laws on fire-fighting. The volume of fire-fighting equipment procurement in the PRC from other countries in the world has been soaring as well. In addition to fire-fighting equipment, the gas cylinder products of the Company can also be applied to many other industries such as medical treatment, automobile and environmental protection, indicating a prosperous prospect. The Company is also endeavouring to develop new products, expand customer resources and other fire fighting related business.

Significant investments and material acquisitions

There is no significant investments and material acquisitions during the six months ended 30 June 2012.

Future Plan

The Company intends to cement internal management, strengthen operating efficiency, develop new products and control production costs. Efforts will be made to develop domestic operating networks and export agents, with an aim to expand sales. Upon sharpening the competitive edge and expanding customer resources, the Company will also increase equipment utilisation and expand production. The Company will conduct its businesses in multiple channels in a move to improve its performance.

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

As at 30 June 2011, 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 70% 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 30 June 2012, 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 2012, the following persons, other than Directors and supervisors of the Company, had an interest and a short position 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)*	71.05%
	Held by controlled corporation	1,300,000 *(Note 2)*	
Mr. Zhou Jin Hui	Held by controlled corporation	131,870,000 *(Note 1)*	71.05%
	Held by controlled corporation	1,300,000 *(Note 2)*	
Victory Investment China Group Ltd.	Beneficial owner	16,628,000	8.87%
Chu Yuet Wah	Held by controlled corporation	16,628,000 *(Note 3)*	8.87%
Best Forth Limited	Held by controlled corporation	16,628,000 *(Note 3)*	8.87%
Ample Cheer Limited	Held by controlled corporation	16,628,000 *(Note 3)*	8.87%
Kingston Finance Limited	Person having a security interest in shares	16,628,000 *(Note 3)*	8.87%

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 70% 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 87,534,735 shares in the Company.

3. Kingston Finance Limited has a security interest in 16,628,000 H Shares of the Company. Ample Cheer Limited, 80% shares of which are held by Best Forth Limited, holds 100% of Kingston Finance Limited. Chu Yuet Wah holds 100% of Best Forth Limited.

Save as disclosed above, the Company has not been notified of any other person had relevant interests representing 5 percent or more in the issued shares capital of the Company as at 30 June 2012.

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 2012 had a material interest, whether directly or indirectly, subsisted at 30 June 2012 or at any time during the six months ended 30 June 2012.

EMPLOYEES

As at 30 June 2012, the Group had 181 employees (30 June 2011: 176 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 2012, 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 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 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 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. Zhang Cheng Ying.

The Audit Committee has reviewed the Group's unaudited results for the six months ended 30 June 2012.

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

Hong Kong, 10 August 2012

As at the date of this announcement, the executive Directors are Mr. Zhou Jin Hui (Chairman), Mr. Gong Xu Lin and Mr. Shen Jian Zhong; the non-executive Directors are Ms. Chai Xiao Fang and Ms. Wang Xiang; and the independent non-executive Directors are Mr. Wang Guo Zhong, Mr. Yang Chun Bao and Mr. Zhang Cheng Ying.

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.