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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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.

This announcement, for which the directors (the "Directors") of Shanghai Qingpu Fire-Fighting Equipment Co. Ltd (the "Company", together with its subsidiaries, the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.

* *For identification purpose 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 condensed consolidated statement of comprehensive income of the Group for the nine months ended 30 September 2020 together with its unaudited comparative figures for the corresponding period in 2019, as follows:

		Unaudited Three months ended 30 September		**Unaudited Nine months ended 30 September**	
		2020	2019	**2020**	2019
	Notes	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue	*3*	**19,466**	23,039	**48,380**	60,429
Cost of sales		**(13,828)**	(19,633)	**(33,817)**	(49,335)
Gross profit		**5,638**	3,406	**14,563**	11,094
Other income and gains	*3*	**230**	383	**1,511**	882
Selling and distribution expenses		**(393)**	(739)	**(1,083)**	(2,126)
Administration expenses		**(3,402)**	(7,021)	**(9,209)**	(13,760)
Write off of inventories	*4*	**–**	(1,699)	**–**	(1,699)
Finance costs		**(15)**	–	**(45)**	(77)
Profit/(loss) before tax	*4*	**2,058**	(5,670)	**5,737**	(5,686)
Income tax expense	*5*	**(266)**	(110)	**(485)**	(337)
Profit/(loss) for the period and total comprehensive income/(loss)for the period		**1,792**	(5,780)	**5,252**	(6,023)
Attributable to:					
Owners of the Company		**825**	(3,524)	**1,931**	(4,579)
Non-controlling interests		**967**	(2,256)	**3,321**	(1,444)
		1,792	(5,780)	**5,252**	(6,023)
Earnings/(loss) per share attributable to ordinary equity holders of the company					
— Basic (RMB cents)	*6*	**0.44**	(1.88)	**1.03**	(2.44)
— Diluted (RMB cents)		**0.44**	(1.88)	**1.03**	(2.44)

Notes:

1. GENERAL

Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. (the "Company") was established in the People's Republic of China (the "PRC") 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.

The Company's H shares are listed on the GEM 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 (which was terminated during the year ended 31 December 2019);
- trading of sanitary-ware and other products;
- sales of aquarium products; and
- marine fire-fighting equipment installation and inspection.

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. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board ("IASB") and the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules") of the Stock Exchange. The financial information has been prepared under the historical convention, except for investment properties which are measured at fair value.

The unaudited condensed financial statements for the nine months ended 30 September 2020 are unaudited, but have been reviewed by the audit committee of the Company.

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 2019.

The IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group's results for the current or prior periods have been prepared or presented in this announcement.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE, OTHER INCOME AND GAINS

Revenue 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 and marine fire-fighting equipment inspection services, sale of aquarium products, trading of other products (including sanitary-ware) and investment in office building and industrial properties for rental income potential, 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 September		**Unaudited Nine months ended 30 September**	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from contracts with customers:				
Sales of pressure vessels	**5,718**	14,570	**13,664**	36,762
Inspection service fees	**3,337**	1,746	**7,127**	5,846
Trading of other products	**–**	–	**310**	–
Sales of aquarium products	**6,151**	3,264	**15,220**	10,994
Sales of marine fire-fighting equipment	**2,670**	2,992	**7,388**	6,229
Marine fire-fighting equipment inspection service fees	**173**	467	**420**	598
	18,049	23,039	**44,129**	60,429
Revenue from other resources:				
Gross rental income	**1,417**	–	**4,251**	–
	19,466	23,039	**48,380**	60,429
Other income and gains				
Interest income	**131**	123	**386**	141
Sales of scraps	**–**	228	**735**	483
Government grant	**99**	32	**390**	258
	230	383	**1,511**	882
Total revenue, other income and gains	**19,696**	23,422	**49,891**	61,311

4. PROFIT/(LOSS) BEFORE TAX

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

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Amortisation of intangible assets	**45**	45	**135**	135
Depreciation on property, plant and equipment	**9**	280	**95**	840
Depreciation on right-of-use assets	**178**	128	**534**	384
Interest on lease liabilities included in finance costs	**15**	–	**45**	43
Staff costs	**2,138**	4,730	**7,128**	12,830
Write off of inventories	**–**	1,699	**–**	1,699
Auditors' remuneration	**–**	–	**–**	–

5. 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 nine months ended 30 September 2020 (nine months ended 30 September 2019: Nil).

Under the Corporate Income Tax Law, the corporate income tax ("CIT") rate applicable to small-scale enterprises with low profitability that meet certain conditions shall be reduced to 20%. Six of the Company's subsidiaries (nine months ended 30 September 2019: six of the Company's subsidiaries) have been designated as a small-scale enterprise. The concessionary CIT rate was revised with effective from 1 January 2019, the first RMB1,000,000 of assessable profits of these subsidiaries were subject to the concessionary CIT rate of 5% of assessable profits (i.e. 20% on the 25% assessable profits) and the remaining assessable profits not over RMB3,000,000 were subject to the concessionary CIT rate of 10% of assessable profits (i.e. 20% on the 50% assessable profits).

Under the Corporate Income Tax Law, the corporate income tax ("CIT") rate is calculated at a rate of 25% (nine months ended 30 September 2019: 25%) on the Group's estimated assessable profits for the nine months ended 30 September 2020.

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Current tax — PRC				
Provision for the period	**266**	110	**485**	337

As at 30 September 2020, the unrecognised deferred tax assets in respect of tax benefits from unrecognised tax losses of the Group is approximately RMB10,814,000 (31 December 2019: approximately RMB10,134,000). The Group did not have any material unprovided deferred tax as at 30 September 2020 and 31 December 2019 as the temporary differences are immaterial.

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

The calculation of earnings per share for the three months ended 30 September 2020 is based on the profit attributable to ordinary equity holders of the Company of approximately RMB825,000 (three months ended 30 September 2019: loss of approximately RMB3,524,000) and on 187,430,000 (three months ended 30 September 2019: 187,430,000) ordinary shares in issue during the period.

The calculation of the loss per share for the nine months ended 30 September 2020 is based on the loss attributable to equity holders of the Company of approximately RMB1,931,000 (nine months ended 30 September 2019: loss of approximately RMB4,579,000) and on 187,430,000 (nine months ended 30 September 2019: 187,430,000) ordinary shares in issue during the period.

No adjustment has been made to the basic earnings/(loss) per share amounts for the three months and nine months ended 30 September 2020 and 2019 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

7. DIVIDEND

No dividend have been paid or declared by the Group during the nine months ended 30 September 2020 (nine months ended 30 September 2019: Nil).

8. 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*
Nine months ended 30 September 2020										
As at 1 January 2020	**18,743**	**10,910**	**43,655**	**7,061**	**1,500**	**11,299**	**(21,898)**	**71,270**	**(204)**	**71,066**
Profit for the period and total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**1,931**	**1,931**	**3,321**	**5,252**
As at 30 September 2020	**18,743**	**10,910**	**43,655**	**7,061**	**1,500**	**11,299**	**(19,967)**	**73,201**	**3,117**	**76,318**
Nine months ended 30 September 2019										
As at 1 January 2019	18,743	10,910	43,655	6,936	1,500	11,299	(11,274)	81,769	1,092	82,861
Loss for the period and total comprehensive loss for the period	–	–	–	–	–	–	(4,579)	(4,579)	(1,444)	(6,023)
As at 30 September 2019	18,743	10,910	43,655	6,936	1,500	11,299	(15,853)	77,190	(352)	76,838

9. 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 30 September		Unaudited Nine months ended 30 September	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Rental expenses				
中聯城消防科技集團有限公司 (literally translated as "Zhong Lian Cheng Fire-fighting Technology Group Company Limited", "ZLCFT")	**–**	–	**–**	34
Inspection services income				
聯城消防工程有限公司 (literally translated as "Lian Cheng Fire-fighting Engineering Company Limited", "LCFE")	**9**	–	**9**	–
上海石化消防工程有限公司 (literally translated as "Shanghai Petro-Chemical Fire-Fighting Engineering Company Limited, "SPFE")	**27**	35	**48**	67
	36	35	**57**	67

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 to and contracted with third parties.

BUSINESS AND FINANCIAL REVIEW

Revenue

For the nine months ended 30 September 2020 (the "Current Period"), the Group recorded revenue of approximately RMB48,380,000 (nine months ended 30 September 2019 (the "Corresponding Period"): RMB60,429,000), representing a decrease of approximately 20% over the Corresponding Period, mainly due to (i) prevention and control of the Coronavirus Disease 2019 ("COVID-19") being taken place during which most of the business activities have been suspended and (ii) the termination of operation of two factories in 2019 led to the significant decrease in sales of pressure vessels.

Gross profit

For the Current Period, the Group recorded overall gross profit of approximately RMB14,563,000 (Corresponding Period: RMB11,094,000), representing a gross profit ratio of 30% comparing to 18% for the Corresponding Period. The increase was mainly attributed to the stock clearance sale at lower gross margin in the Corresponding Period and rental income gained from a vacated factory leased out for rent from late 2019.

Other income and gains

Other income and gains for the Current Period increased by approximately RMB629,000 from RMB882,000 for the Corresponding Period to approximately RMB1,511,000. This is mainly due to the increase in sale of scraps.

Selling and distribution expenses

For the Current Period, the Group's selling and distribution expenses decreased by approximately RMB1,043,000 from RMB2,126,000 for the Corresponding Period to approximately RMB1,083,000, representing a decrease of approximately 49% over the Corresponding Period, mainly because of the significant decrease in revenue.

Administrative expenses

For the Current Period, the Group's administrative expenses decreased by 33% at approximately RMB9,209,000 (Corresponding Period: RMB13,760,000), mainly because of (i) the termination of operation of two factories by the end of 2019 leading to non-recurrence of such expenses in 2020; and (ii) operation suspended because of COVID-19 epidemic leading to less expenses in 2020.

Write-off of inventories

For the Current Period, the Group has not written off any inventories compared to RMB1,699,000 in Corresponding Period, because the write-off in Corresponding Period was one off for preparing a factory for lease.

Finance costs

Finance costs of approximately RMB45,000 were recorded for the Current Period (Corresponding Period: RMB77,000). This is mainly comprised of interest expenses of lease liabilities.

(Profit)/loss for the period

For the Current Period, the Group recorded profit for the period of approximately RMB5,252,000 (Corresponding Period: a loss of approximately RMB6,023,000). The turnaround from loss to profit was primarily attributable to an increase in profit derived from sale of aquarium products and rental income gained from a vacated factory leased out for rent since late 2019.

Income tax

The effective tax charge rate of the Group is 8% for the nine months ended 30 September 2020 (nine months ended 30 September 2019: credit) due to a net loss in certain subsidiaries offset net profits arising from other subsidiaries of the Group and the utilisation of certain tax loss brought forward from prior periods to offset the assessable profits generated during the period.

Non-controlling interests

For the Current Period, profit for the period attributable to non-controlling interests are approximately RMB3,321,000 (Corresponding Period: a loss of RMB1,444,000). It is due to the profits in the aquarium products segment and rental income shared by the non-controlling interest.

BUSINESS REVIEW

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.

The Group's factory located at 740 and 777 Zhonggu Street, Zhonggu Town, Qingpu District, Shanghai, the PRC (中國上海市青浦區重固鎮重固大街740及777號) (the "Zhonggu Factories") and certain leased land and buildings used by Shanghai Yuanfeng Pressure Cylinder Co. Ltd. (上海元奉高壓容器有限公司) ("Yuanfeng") are included in the land redevelopment plan. These resumptions of land has no material impact on the daily operations of the Group but provided an opportunity for the Group to centralize the production and improve profitability. With centralizing the production in mind and considering the orders in the past years, the Company's subsidiary, 上海高壓特種氣瓶有限公司 (literally translated as "Shanghai Pressure Special Gas Cylinder Co., Ltd.", "Special Cylinder"), has leased the entire factory for 15 years, at annual rent not less than RMB5,800,000 to an independent third party in November 2019. This not only reduces overhead costs but also provides stable income for the Group. The positive effects are reflected in the results for the nine months ended 30 September 2020.

Since the outbreak of the Coronavirus Disease 2019 ("COVID-19"), the prevention and control of the COVID-19 has been going on throughout China. Facing the epidemic situation, the Group, while cooperating with the government to fight the epidemic situation, actively took measures to avoid the economic loss of the Group. The Group had promoted employees' home office and network office and maintained close contact with suppliers and customers, and tried to maintain the normal development of business activities. The Group had minimal business activities because of the epidemic. With the help of Special Cylinder leasing out the entire factory which reduces overhead costs and provides stable income, the impact was reduced but the Group will face more challenges to get the business on track again.

On 14 July 2020, a subsidiary of the Company, 上海荻野生物科技有限公司 (literally translated "Shanghai Ogino Biotechnology Co., Limited", "Shanghai Ogino"), entered into an agreement (the "Transaction") to purchase 6 properties with a total building area of approximately 3,233 sq. m., located at 天億健康產業園 (literally translated as "Tian Yi Health Industrial Park") (the "Properties"), in Ci Xi, Zhejiang Province of the PRC, for an aggregate consideration of approximately RMB13,000,000 (equivalent to approximately HK$14,400,000) (the "Purchase Consideration"). The Purchase Consideration was paid by Shanghai Ogino's internal resources and by a bank loan in the PRC. With the new production plant, sale of aquarium products could be boosted further because of better production capacity and better corporate image to attract new customers.

PROSPECT

Business environment in post-pandemic economy will be difficult and challenging. We believe that the Company, with all the work done and change in business strategies and experienced management team, will be able to sharpen the competitive edge. The Company has secured a stable income and centralized production and will continue to develop new market of higher-margin products/businesses. The Company will also prudently seek for business opportunities which may arise from COVID-19 with the aim to enhance shareholder value.

* *For identification purpose only*

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

As at 30 September 2020, 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%

Notes:

1. Liancheng holds 131,870,000 domestic shares of the Company. Liancheng Fire Protection Group (Hong Kong) Company Limited, a wholly-owned 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 is 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 Hengtai and 20% by Mr. Zhou Jin Hui.

2. Liancheng holds 131,870,000 domestic shares of the Company. Liancheng Fire Protection Group (Hong Kong) Company Limited, a wholly-owned subsidiary of Liancheng, holds 1,300,000 H shares of the Company. Zhejiang Hengtai owns 80% of Liancheng. Accordingly, Zhejiang Hengtai is deemed to be interested in 131,870,000 domestic shares and 1,300,000 H shares in the Company.

3. On 12 January 2017, the board of directors of the Company was notified that, an aggregate of 131,870,000 domestic shares of the Company (the "Pledged Shares") held by Liancheng have been pledged in favour of an independent third party (the "Lender") as a security for a loan amount of RMB198,000,000 provided by the Lender to Liancheng (the "2017 Loan"). The Pledged Shares will be released if Liancheng makes a partial repayment amounting to RMB63,000,000 to the Lender. Relevant shares pledge registration procedures have been completed with China Securities Depository and Clearing Corporation Limited. As of 12 January 2017 and the date of this announcement, the Pledged Shares represent approximately 70.36% and 100% of the issued share capital and domestic shares of the Company, respectively.

Save as disclosed above, as at 30 September 2020, 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 September 2020, the following person, other than the Director and supervisors of the Company, had 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 *(Note 3)*	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 wholly-owned subsidiary of Liancheng, holds 1,300,000 H shares of the Company. Zhejiang Hengtai owns 80% of Liancheng. Accordingly, Zhejiang Hengtai is deemed to be interested in 131,870,000 domestic shares and 1,300,000 H shares in the Company.

3. On 12 January 2017, the board of directors of the Company was notified that, an aggregate of 131,870,000 domestic shares of the Company (the "Pledged Shares") held by Liancheng have been pledged in favour of an independent third party (the "Lender") as a security for a loan amount of RMB198,000,000 provided by the Lender to Liancheng (the "2017 Loan"). The Pledged Shares will be released if Liancheng makes a partial repayment amounting to RMB63,000,000 to the Lender. Relevant shares pledge registration procedures have been completed with China Securities Depository and Clearing Corporation Limited. As of 12 January 2017 and the date of this announcement, the Pledged Shares represent approximately 70.36% and 100% of the issued share capital and domestic shares of the Company, respectively.

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 September 2020.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

To the best knowledge of the Board, save as disclosed in note 9 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 or supervisors of the Company had a material interest, whether directly or indirectly, subsisted at 30 September 2020 or at any time during the nine months ended 30 September 2020.

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

During the nine months ended 30 September 2020, the Company did not purchase, sell or redeem any of the Company's listed securities.

CORPORATE GOVERNANCE

(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. Pursuant to Rule 18.44(2) and Appendix 15 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 nine months ended 30 September 2020.

(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 three independent non-executive directors of the Company, namely Mr. Yang Chun Bao, Mr. Wang Guo Zhong and Mr. Song Zi Zhang.

The Audit Committee has reviewed the Group's unaudited condensed financial statements for the nine months ended 30 September 2020 and has provided advice and comments thereon.

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

Shanghai, 9 November 2020

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; 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 at www.hkgem.com and on the website of the Company at www.shanghaiqingpu.com for at least 7 days from the date of publication.