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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 2022

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 purposes only

QUARTERLY RESULTS (UNAUDITED)

The Board of Directors (the “Board”) of Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. (the “Company” and together with its subsidiaries, collectively the “Group”) present the unaudited results of the Group for the nine months ended 30 September 2022 together with the unaudited comparative figures for the corresponding period in 2021, as follows:

	<i>Notes</i>	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
		2022 <i>RMB'000</i>	2021 <i>RMB'000</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Revenue	3	15,159	18,062	44,974	53,212
Cost of sales and services		(10,136)	(12,870)	(32,310)	(36,753)
Gross profit		5,023	5,192	12,664	16,459
Other income and gains	3	510	54,412	2,030	58,588
Selling and distribution expenses		(465)	(716)	(2,256)	(1,719)
Administrative expenses		(3,429)	(3,812)	(8,044)	(10,621)
Finance costs		(115)	(120)	(335)	(352)
Profit before tax	4	1,524	54,956	4,059	62,355
Income tax expense	5	(34)	(8,185)	(754)	(9,405)
Profit for the period and total other comprehensive income for the period		1,490	46,771	3,305	52,950
Attributable to:					
Owners of the Company		480	45,885	715	49,212
Non-controlling interests		1,010	886	2,590	3,738
		1,490	46,771	3,305	52,950
Earnings per share attributable to ordinary equity holders of the Company					
— Basic (<i>RMB cents</i>)	6	0.26	24.48	0.38	26.26
— Diluted (<i>RMB cents</i>)		0.26	24.48	0.38	26.26

Notes:

1. GENERAL

Shanghai Qingpu Fire-Fighting Equipment Factory was transformed into a joint stock limited liability company in the People's Republic of China (the "PRC") 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 "Company" together with its subsidiaries, the "Group"). 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 (the "Stock Exchange").

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 products);
- manufacture and sale of aquarium products;
- sales of marine fire-fighting equipment and provision of related installation services;
- provision of fire technology inspection services and marine fire-fighting equipment inspection services;
- investment in office building and industrial properties for rental income potential; and
- trading of other products.

In the opinion of the directors of the Company, 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"), 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"), a limited liability company established in the PRC.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Company and its subsidiaries (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. They have been prepared under the historical convention, except for investment properties and financial assets at fair value through profit or loss, which are measured at fair value.

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2022 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 2021.

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

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	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Revenue from contracts with customers:				
Sales of pressure vessels	4,953	6,222	14,837	14,377
Sales of aquarium products	4,539	6,273	18,587	21,709
Sales of marine fire-fighting equipment	1,961	2,724	4,321	6,570
Inspection service fees	1,892	1,275	3,362	5,640
	<u>13,345</u>	<u>16,494</u>	<u>41,107</u>	<u>48,296</u>
Revenue from other sources:				
Gross rental income	1,814	1,568	3,867	4,916
	<u>15,159</u>	<u>18,062</u>	<u>44,974</u>	<u>53,212</u>
Other income and gains				
Interest income	32	16	302	91
Realised gains on financial assets at fair value through profit or loss	324	292	1,238	443
Fair value gain on investment properties	–	–	–	3,700
Government grant	25	107	179	324
Gain on surrender of investment properties under land resumption (<i>note</i>)	–	53,997	–	53,997
Others	129	–	311	33
	<u>510</u>	<u>54,412</u>	<u>2,030</u>	<u>58,588</u>
Total revenue, other income and gains	<u>15,669</u>	<u>72,474</u>	<u>47,004</u>	<u>111,800</u>

Note:

On 7 June 2021, the Company entered into certain agreements (the “Land Resumption Agreements”) with Qingpu District Zhonggu Town Land Resumption Office (青浦區重固鎮房屋土地徵收辦公室) and Qingpu District Zhonggu Town Construction Land Usage Reduction Office (青浦區重固鎮建設用地減量化工作辦公室) (collectively, the “Offices”) in respect of the resumption of the Company’s investment properties (the “Land Resumption”) located at 740, 777 and 771-1 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、777及771-1號) (the “Zhonggu Factories”). Pursuant to the Land Resumption Agreements, the Company surrendered the Zhonggu Factories to the Offices for an aggregate compensation of approximately RMB87,003,000. On 27 May 2021, the Company entered into an agreement with the ex-tenant of Zhonggu Factories, pursuant to which, the Company agreed to pay a compensation of RMB4.0 million to the ex-tenant in respect of the Land Resumption.

Upon the completion of the Land Resumption on 20 August 2021, a gain on surrender of the investment properties under the Land Resumption, before corporate income tax, of approximately RMB53,997,000 (the “Land Resumption Gain”) was recognised in the profit and loss. Apart from the Land Resumption Gain, there was a revaluation gain of approximately RMB11,299,000 recorded in the asset revaluation reserve in previous years upon reclassification of the Zhonggu Factories from “leasehold properties” to “investment properties” due to a change in the use of the Zhonggu Factories which was directly transferred to retained profits during the nine months ended 30 September 2021.

4. PROFIT BEFORE TAX

The Group’s profit before tax is arrived at after charging/(crediting):

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2022 RMB’000	2021 RMB’000	2022 RMB’000	2021 RMB’000
Amortisation of intangible assets	45	45	135	135
Depreciation on property, plant and equipment	123	157	484	446
Depreciation on right-of-use assets	102	185	366	550
Impairment of other receivables	–	–	–	696
Interest on lease liabilities included in finance costs	15	18	50	41
Staff costs	1,985	1,143	5,839	6,108
Auditors’ remuneration	73	–	228	–
Fair value gain on investment properties	–	–	–	(3,700)
Gain on surrender of investment properties under land resumption (note 3)	–	(53,997)	–	(53,997)
Realised gains on financial assets at fair value through profit or loss	(324)	(292)	(1,238)	(443)

5. INCOME TAX EXPENSE

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 2022 (nine months ended 30 September 2021: Nil).

According to the Announcement of the State Administration of Taxation on Issues Relating to Implementation of Inclusive Income Tax Relief Policy for Small Low-profit Enterprises, a lower corporate income tax (“CIT”) rate is applicable to small scale enterprises with low profitability that meet certain conditions, pursuant to which, (i) the first RMB1,000,000 of assessable profits (the “1st Assessable Profits”) are effective taxable at 2.5% (i.e. 20% CIT rate on 12.5% of the 1st Assessable Profits) (nine months ended 30 September 2021: 2.5% (i.e. 20% CIT rate on 12.5% of the 1st Assessable Profits)); and (ii) the remaining assessable profits not over RMB3,000,000 (the “Remaining Assessable Profits”) are effective taxable at 5% (i.e. 20% CIT rate on the 25% of the Remaining Assessable Profits) (nine months ended 30 September 2021: 10% (i.e. 20% CIT rate on 50% of the Remaining Assessable Profits)). Certain of the Company’s subsidiaries have been designated as small scale enterprises. The CIT for other companies in the Group is calculated at a rate of 25% (nine months ended 30 September 2021: 25%) on the estimated assessable profits for the nine months ended 30 September 2022.

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Current tax — PRC				
Provision for the period	34	105	754	400
Deferred tax — PRC				
Provision for the period	—	8,080	—	9,005
	<u>34</u>	<u>8,185</u>	<u>754</u>	<u>9,405</u>

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

The calculation of earnings per share for the three months ended 30 September 2022 is based on the profit attributable to ordinary equity holders of the Company of approximately RMB480,000 (three months ended 30 September 2021: approximately RMB45,885,000) and on 187,430,000 (three months ended 30 September 2021: 187,430,000) ordinary shares in issue during the period.

The calculation of the earnings per share for the nine months ended 30 September 2022 is based on the profit attributable to equity holders of the Company of approximately RMB715,000 (nine months ended 30 September 2021: approximately RMB49,212,000) and on 187,430,000 (nine months ended 30 September 2021: 187,430,000) ordinary shares in issue during the period.

No adjustment has been made to the basic earnings per share amounts for the three months and nine months ended 30 September 2022 and 2021 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 2022 (nine months ended 30 September 2021: Nil).

8. EQUITY

	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Issued capital	Share premium	Capital reserve	Statutory reserve fund	Discretionary common reserve fund	Asset revaluation reserve	(Accumulated losses)/ Retained earnings			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Nine months ended</i>										
<i>30 September 2022</i>										
As at 1 January 2022	18,743	10,910	43,655	9,409	1,500	-	45,400	129,617	10,404	140,021
Profit for the period and total comprehensive income for the period	-	-	-	-	-	-	715	715	2,590	3,305
As at 30 September 2022	<u>18,743</u>	<u>10,910</u>	<u>43,655</u>	<u>9,409</u>	<u>1,500</u>	<u>-</u>	<u>46,115</u>	<u>130,332</u>	<u>12,994</u>	<u>143,326</u>
<i>Nine months ended</i>										
<i>30 September 2021</i>										
As at 1 January 2021	18,743	10,910	43,655	7,571	1,500	11,299	(23,811)	69,867	3,513	73,380
Profit for the period and total comprehensive income for the period	-	-	-	-	-	-	49,212	49,212	3,738	52,950
Release of asset revaluation reserve upon surrender of investment properties under the Land Resumption (note 3)	-	-	-	-	-	(11,299)	11,299	-	-	-
As at 30 September 2021	<u>18,743</u>	<u>10,910</u>	<u>43,655</u>	<u>7,571</u>	<u>1,500</u>	<u>-</u>	<u>36,700</u>	<u>119,079</u>	<u>7,251</u>	<u>126,330</u>

9. RELATED PARTY TRANSACTIONS

The Group had no material transaction with related parties during the nine months ended 30 September 2022 and 2021.

BUSINESS AND FINANCIAL REVIEW

Revenue

For the nine months ended 30 September 2022 (the “Current Period”), the Group’s revenue amounted to approximately RMB44,974,000 (nine months ended 30 September 2021 (the “Corresponding Period”): approximately RMB53,212,000), representing a decrease of approximately 15% over the Corresponding Period. The decrease in revenue is mainly due to (i) Shanghai City in the People’s Republic of China (the “PRC”) was under mandatory lockdown (the “Lockdown”), along with our offices and factories in Shanghai, as part of the regime to suppress the rising COVID-19 cases from end of April 2022 to June 2022; and (ii) decrease in rental income due to rent relief provided to tenants according to Shanghai Municipal Action Plan for Accelerating Economic Recovery and Rejuvenation (“上海市加快經濟恢復和重振行動方案”).

Cost of sales and services and gross profit

For the Current Period, the Group’s cost of sales and services amounted to approximately RMB32,310,000 (Corresponding Period: approximately RMB36,753,000), representing a decrease of approximately 12% over the Corresponding Period which is in line with the decrease in revenue. The main components of cost of sales and services are raw materials (including steel and aluminum) and labour cost.

For the Current Period, the Group’s gross profit amounted to approximately RMB12,664,000 (Corresponding Period: approximately RMB16,459,000), representing a drop in gross profit ratio from 31% to 28%. The decrease in gross profit ratio is mainly due to (i) decrease in rental income which involve minimal cost of sales; and (ii) increase in extra cost to hire temporary production labor due to the Lockdown.

Other income and gains

For the Current Period, the Group’s other income and gains amounted to approximately RMB2,030,000 (Corresponding Period: approximately RMB58,588,000), representing a decrease of approximately 96% over the Corresponding Period. The decrease in other income and gains is mainly due to the recognition of (i) gain on surrender of investment properties under land resumption of approximately RMB53,997,000; and (ii) fair value gain on investment properties of approximately RMB3,700,000 in the Corresponding Period.

Selling and distribution expenses

For the Current Period, the Group's selling and distribution expenses amounted to approximately RMB2,256,000 (Corresponding Period: approximately RMB1,719,000), representing an increase of approximately 31% over the Corresponding Period. The increase in selling and distributing expenses is mainly due to the increase in costs for expansion of sales department of the aquarium products by approximately RMB507,000 as compared to the Corresponding Period.

Administrative expenses

For the Current Period, the Group's administrative expenses amounted to approximately RMB8,044,000 (Corresponding Period: approximately RMB10,620,000), representing a decrease of approximately 24% over the Corresponding Period. The decrease in administrative expenses is mainly due to the decrease in professional fee related to land resumption and impairment of other receivables.

Finance costs

For the Current Period, the Group's finance costs amounted to approximately RMB335,000 (Corresponding Period: approximately RMB352,000), representing a decrease of approximately 4% over the Corresponding Period. The finance costs mainly comprised of interest expenses of bank borrowings to partially finance the payment of consideration for acquisition of production factory premises in July 2020.

Income tax expense

For the Current Period, the effective tax rate of the Group is 19% (Corresponding Period: 15%). The increase in effective tax rate is due to there were non-deductible items which increased the assessable profits.

Profit for the period

For the Current Period, the Group's profit for the period amounted to approximately RMB3,305,000 (Corresponding Period: approximately RMB52,950,000), representing a decrease of 93% over the Corresponding Period. The decrease in profit for the Current Period is mainly due to there were fair value gain on investment properties and gain on surrender of investment properties under land resumption of approximately RMB3,700,000 and RMB53,997,000, respectively, net of deferred tax of approximately RMB9,005,000, recognised during the Corresponding Period.

Non-controlling interests

For the Current Period, the Group's profit for the period attributable to non-controlling interests amounted to approximately RMB2,590,000 (Corresponding Period: approximately RMB3,738,000). The decrease in non-controlling interests is mainly attributable to the decrease in profits of certain non-wholly-owned subsidiaries for the nine months ended 30 September 2022 as compared with the Corresponding Period.

BUSINESS REVIEW

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

Since the outbreak of the COVID-19, the prevention and control of the COVID-19 has been going on throughout the PRC. Facing the pandemic situation, the Group, while cooperating with the government to fight the pandemic situation, actively took measures to avoid the economic loss of the Group. The recent launch of various COVID-19 vaccines have provided protection and have a positive effect to the economy. During the nine months ended 30 September 2022, Shanghai City in the PRC was lockdown for over two months. Business activities of the Group in Shanghai City were suspended during lockdown and resumed in early June 2022. Adverse effects was reflected in the Company's result for the Current Period.

PROSPECT

The directors of the Company remain positive that the economy in the PRC is steadily recovering from global outbreak of COVID-19. With the new production plant has been utilised in 2021 by 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"), sale of aquarium products could be boosted further because of better production capacity and better corporate image to attract new customers. The Company will also prudently consider developing and 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 fire fighting service provider in the PRC.

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

As at 30 September 2022, 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 (<i>Note 1</i>)	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 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 Zhejiang Hengtai and 20% by Mr. Zhou Jin Hui.

Save as disclosed above, as at 30 September 2022, 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 2022, 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%
Mr. Zhou Jin Hui	Held by controlled corporation	131,870,000 (Note 1)	70.36%
	Held by controlled corporation	1,300,000 (Note 2)	0.69%

Notes:

- All represented domestic shares of the Company.
- 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.

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

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 30 September 2022 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 2022.

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 2022 or at any time during the nine months then ended.

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

During the nine months ended 30 September 2022, 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 2022.

(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 consolidated financial statements for the nine months ended 30 September 2022 and has provided advice and comments thereon.

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

Shanghai, 10 November 2022

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.