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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)

NOTIFIABLE TRANSACTION

ACQUISITION OF 100% EQUITY OF SHANGHAI AN HANG MARINE FIRE-FIGHTING EQUIPMENT CO., LTD.

The Board is pleased to announce that on 26 January 2016, the Purchasers and the Vendors entered into the Acquisition Agreement, pursuant to which the Purchasers agreed to acquire and the Vendors agreed to sell 100% equity interest in Shanghai An Hang for a consideration of RMB6 million.

The Acquisition constitutes a discloseable transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules as the assets ratio and revenue ratio of the Acquisition exceed 5% but less than 25%.

THE ACQUISITION AGREEMENT

The Board is pleased to announce that on 26 January 2016, the Purchasers and the Vendors entered into the Acquisition Agreement, pursuant to which the Purchasers agreed to acquire and the Vendors agreed to sell 100% equity of Shanghai An Hang for a consideration of RMB6 million. The principal terms and conditions precedent of the Acquisition Agreement are as follows:

Date of the Acquisition Agreement: 26 January 2016

Parties: (i) Purchasers: (i) the Company
(ii) Li Ming
(ii) Vendors: 上海安航海事技術發展有限公司 (Shanghai An Hang Marine-tech Development Co., Ltd.*) (“An Hang Marine-tech”) and 昆山寧華消防系統有限公司 (Kun Shan Ning Hua Fire-Fighting System Co., Ltd.*) (“Ning Hua”)

Asset to be acquired:

Pursuant to the Acquisition Agreement, the Purchasers have agreed to purchase and the Vendors have agreed to sell the 100% equity interest in 上海安航海上消防設備有限公司 (Shanghai An Hang Marine Fire-Fighting Equipment Co., Ltd.*) (“Shanghai An Hang”). Shanghai An Hang is 50% owned by An Hang Marine-tech and 50% owned by Ning Hua. To the Directors’ best knowledge, information and belief and after making all reasonable enquiries, the Vendors are independent third parties not connected with the Directors, chief executive officer or substantial shareholders of the Company, or an associate of any of them.

Pursuant to the Acquisition Agreement, the Company and Li Ming will purchase and the Vendors will sell 90% and 10% of the equity interest in Shanghai An Hang, respectively.

The Acquisition Agreement is conditional upon the fulfilment of all of the following conditions:

- (1) The Purchasers must obtain approval by the resolution of shareholders of Shanghai An Hang in general meeting for the Acquisition;
- (2) There is no material adverse change in operation and financial position in Shanghai An Hang.

Consideration:

The Consideration for the Acquisition of RMB6 million was determined on arm’s length negotiation between the parties to the Acquisition Agreement with reference to, among other things, the business prospects and other intangibles such as certifications and technical know-how of Shanghai An Hang as well as the synergy created by the Acquisition to Li Ming and the Company. The Board is of the opinion that the consideration for the Acquisition is fair and reasonable. The Consideration will be satisfied in cash by internal resources of the Group. 30% of the consideration will be paid within 5 days after the signing of the Acquisition Agreement and the balance (70% of the Consideration) will be settled no later than 5 days after the 100% equity interest in Shanghai An Hang has been transferred to the Purchasers.

INFORMATION OF SHANGHAI AN HANG

Shanghai An Hang is a limited liability company incorporated in Shanghai, the PRC. Shanghai An Hang is engaged in the business of installing marine fire-fighting equipment and system. Shanghai An Hang process the following certifications:

Certificate	Particular	Granted by
《質量管理體系認證證書》 GB/T 19001-2008/ISO 9001:2008	准予其使用質量管理體系認證證書 Qualified quality management system	中國船級社 China Classification Society*
《型式認可證書》 Installation Certificate*	船用固定乾粉滅火裝置符合中國國 家標準 Qualified dry powder fire-fighting system for vessel	中國船級社 China Classification Society*
《型式認可證書》 Installation Certificate*	船用二氧化碳滅火裝置符合船舶行 業標準 Qualified carbon dioxide fire- fighting system for vessel	中國船級社 China Classification Society*
《船用產品型式認可證書》 Vessel Products Certificate*	船用固定式二氧化碳滅火裝置符合 漁業船舶檢驗局的認可要求 Qualified fixed carbon dioxide fire- fighting equipment for vessel	中國漁業船舶檢驗局 Register of Fishing Vessel of the PRC
《船用產品型式認可證書》 Vessel Products Certificate*	船用固定式低泡沫滅火裝置符合漁 業船舶檢驗局的認可要求 Qualified fixed less foam fire- fighting equipment for vessel	中國漁業船舶檢驗局 Register of Fishing Vessel of the PRC

Set out below is a summary of financial information on Shanghai An Hang based on the unaudited financial statements for the years ended 31 December 2013 and 31 December 2014 and for the ten months period ended 31 October 2015 prepared in accordance with the PRC Small Enterprise Accounting Standards:

	For the ten months period Ended 31 October 2015 RMB	Year Ended 31 December 2014 RMB	Year Ended 31 December 2013 RMB
Revenue	9,412,805	9,871,368	9,441,966
Profit before taxation	1,310,556	1,408,876	1,374,074
Profit after taxation	966,879	1,310,118	1,292,599

As at 31 October 2015 the unaudited total assets and net assets of Shanghai An Hang amounted to RMB9,490,277 and RMB5,063,125 respectively.

INFORMATION OF THE PURCHASER

Li Ming is 90% owned by the Company. The principal activities of Li Ming is providing fire technology inspection services and the principal activities of the Company are the manufacture and sale of pressure vessels (including fire fighting equipment products and pressure vessels products); provision of fire technology inspection services; and trading of sanitary-ware and other products.

REASONS AND BENEFIT OF THE ACQUISITION

Shanghai An Hang is one of the few marine fire-fighting equipment installation companies that are licensed and approved with certificates to operate in Shanghai, the PRC. It is a legal requirement in Shanghai, the PRC, that installation of marine fire-fighting equipment and system must be approved by 中國船級社 (China Certification Society*) and 中國漁業船舶檢驗局 (Register of Fishing Vessel of the PRC*). In addition, all marine fire-fighting equipment and system that had been installed are required to undergo annual inspection by an approved company with proper certification. Profits margin of Shanghai An Hang can be increased after the Acquisition by allocating all assembling works to the Company's factory and the Acquisition will enable the Company to extend its current business from manufacturing of fire-fighting equipment products, fire-fighting testing and trading into other fire-fighting related business. The Company can also share the customers base of Shanghai An Hang aiming at selling more fire-fighting product in the future.

GENERAL

The Acquisition constitutes a discloseable transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules as the assets ratio and revenue ratio of the Acquisition exceed 5% but less than 25%.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of 100% equity interest in Shanghai An Hang by the Purchasers under the Acquisition Agreement
“Acquisition Agreement”	the equity interest transfer agreement date 26 January 2016 entered into between the Purchasers and the Vendors in relation to the Acquisition
“Asset”	100% of the equity interest in Shanghai An Hang
“Board”	the board of directors of the Company

“Company”	Shanghai Qingpu Fire-Fighting Equipment Co., Ltd., a joint stock limited company incorporated in the PRC and whose shares are listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited
“Consideration”	the consideration payable by the Purchasers to the Vendors under the Acquisition Agreement in the amount of RMB6 million
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“Li Ming”	上海黎明消防檢測有限公司 (Shanghai Li Ming Fire-Fighting Inspection Co., Ltd.*), a 90% owned subsidiary of the Company
“Ning Hua”	昆山寧華消防系統有限公司 (Kun Shan Ning Hua Fire-Fighting System Co., Ltd.*)
“PRC”	The People’s Republic of China, for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai An Hang”	上海安航海上消防設備有限公司 (Shanghai An Hang Marine Fire-Fighting Equipment Co., Ltd.*), a limited liability company incorporated in Shanghai, the PRC

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

Shanghai, 26 January 2016

As at the date of this announcement, the executive Directors are Mr. Zhou Jin Hui, 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.

* For identification purpose only

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.

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