

**SHANGHAI QINGPU FIRE -FIGHTING EQUIPMENT COMPANY LTD :
MANAGEMENT IS SOMETHING SPECIAL – AWEFUL !**

Trade Receivables More Than Two Years Old

When the management of a company, issuing its Prospectus at its IPO – Initial Public Offering – has the chutzpah to produce published accounts in which Trade Receivables, aged more than 2 years, amount to 2.49 million renminbi (1.06 renminbi=\$HK1.00), and those Trade Receivables are equivalent to about 5 percent of the Turnover for the latest Financial Year, it is reasonable to come to the conclusion that something is very strange about this company and, of course, its senior management.

Further, if that same senior management had made a Provision in that same Financial Year, amounting to another 2.17 million renminbi, that Provision, being '*impairment for receivables*', it is reasonable to come to the conclusion that that senior management is lacking in perspicacity and nous – at least.

In a word: Incompetent.

The above was the case when Shanghai Qingpu Fire-Fighting Equipment Company Ltd (Code: 8115, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) told its story in its IPO Prospectus, last June.

And, when Shanghai Qingpu Fire-Fighting Equipment issued its Third Quarterly Report for the period, ended September 30, 2004 , confirmation as to the lack of competency of Management was reinforced, quite substantially.

Because that Third Quarterly Report suggested, strongly, that the Company's business was regressing, not progressing.

Shanghai Qingpu Fire-Fighting Equipment went public on The GEM on June 18, 2004 , when it Offered 55.56 million, renminbi 0.10 Shares at a price of 54 cents (Hongkong) per Share.

Of the total number of Shares on Offer, 5,556,000 Shares were Offered to the investing public while 50,004,000 Shares were Placed with just 47 Placees, 2 Placees, taking 5 million Shares, each, representing 20 percent of the Placing tranche.

To state that these shares are in the hands of a limited number of institutions/individuals is very apparent.

The share price of Shanghai Qingpu Fire-Fighting Equipment, today, is about 73 cents, but very few shares change hands on a daily basis.

About 5 months after this Company was listed on The GEM , it presented shareholders with its Third Quarterly Report for the 9 months, ended September 30, 2004 .

The highlights of this Third Quarterly Report included:

1. Turnover – up 4.78 million renminbi, Year-on-Year, equivalent to about 12.61 percent, to about 42.70 million renminbi;
2. Gross Profit – down 568,000 renminbi, Year-on-Year, equivalent to about 4.30 percent, to about 12.62 million renminbi; and,
3. Net Profit Attributable to Shareholders – up about 326,000 renminbi, Year-on-Year, equivalent to about 6.60 percent, to about 5.26 million renminbi.

This type of result hardly ... [CLICK TO ORDER FULL ARTICLE](#)

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