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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which 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 of Hong Kong Limited for the purpose of giving information with regard to Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. 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*

RESULTS FOR THE YEAR

The board of directors (the "Board") of Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. (the "Company" and its subsidiaries, collectively the "Group") is pleased to announce the audited results of the Group for the year ended 31 December 2014, together with the comparative figures for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2014

	Notes	**2014** *RMB'000*	2013 *RMB'000*
Revenue	*6*	**117,486**	113,411
Cost of sales		**(96,119)**	(90,024)
Gross profit		**21,367**	23,387
Other income and gains	*6*	**7,070**	4,520
Selling and distribution expenses		**(2,476)**	(2,874)
Administrative expenses		**(17,496)**	(15,226)
Profit before tax	*7*	**8,465**	9,807
Income tax expense	*8*	**(2,463)**	(1,718)
Profit for the year		**6,002**	8,089
Attributable to:			
Owners of the Company		**7,334**	7,839
Non-controlling interests		**(1,332)**	250
		6,002	8,089
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*9*		
Basic (RMB cents)		**3.9**	4.2
Diluted (RMB cents)		**3.9**	4.2

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	2014	2013
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**6,002**	8,089
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**6,002**	8,089
Attributable to:		
Owners of the Company	**7,334**	7,839
Non-controlling interests	**(1,332)**	250
	6,002	8,089

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2014

	Notes	2014 RMB'000	2013 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**11,957**	14,005
Investment properties		**27,140**	24,370
Prepaid land lease payments		**119**	122
Total non-current assets		**39,216**	38,497
CURRENT ASSETS			
Inventories		**15,648**	17,511
Trade and bills receivables	*10*	**15,664**	18,886
Prepayments, deposits and other receivables		**14,804**	16,237
Due from fellow subsidiaries		**1,674**	3,252
Cash and cash equivalents		**36,211**	25,267
Total current assets		**84,001**	81,153
CURRENT LIABILITIES			
Trade payables	*11*	**9,870**	12,402
Other payables and accruals		**10,422**	11,036
Due to the immediate holding company		**906**	906
Due to non-controlling interest		**1,451**	1,496
Due to a related company		**2,798**	2,798
Tax payables		**406**	324
Total current liabilities		**25,853**	28,962
NET CURRENT ASSETS		**58,148**	52,191
TOTAL ASSETS LESS CURRENT LIABILITIES		**97,364**	90,688

	2014	2013
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Loan from the immediate holding company	**7,800**	7,800
Deferred tax liabilities	**5,063**	4,370
Total non-current liabilities	**12,863**	12,170
Net assets	**84,501**	78,518
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**18,743**	18,743
Reserves	**67,403**	60,108
	86,146	78,851
Non-controlling interests	**(1,645)**	(333)
Total equity	**84,501**	78,518

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

	Attributable to owners of the Company									
	Issued capital	Share premium account*	Capital reserve*	Statutory reserve funds*	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*
At 1 January 2013:	18,743	10,910	43,655	5,553	1,500	11,299	(20,613)	71,047	(344)	70,703
Profit and total comprehensive income for the year	–	–	–	–	–	–	7,839	7,839	250	8,089
Transfer to statuary reserve funds	–	–	–	317	–	–	(352)	(35)	35	–
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	(274)	(274)
At 31 December 2013	18,743	10,910	43,655	5,870	1,500	11,299	(13,126)	78,851	(333)	78,518
At 1 January 2014:	18,743	10,910	43,655	5,870	1,500	11,299	(13,126)	78,851	(333)	78,518
Profit and total comprehensive income for the year	–	–	–	–	–	–	7,334	7,334	(1,332)	6,002
Transfer to statuary reserve funds	–	–	–	368	–	–	(407)	(39)	39	–
Capital injection from non-controlling interests	–	–	–	–	–	–	–	–	300	300
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	(319)	(319)
At 31 December 2014	18,743	10,910	43,655	6,238	1,500	11,299	(6,199)	86,146	(1,645)	84,501

* *These reserve accounts comprise the consolidated reserves of approximately RMB67,403,000 (2013: approximately RMB60,108,000) in the consolidated statement of financial position.*

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

31 December 2014

1. CORPORATE INFORMATION

Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. (the "Company") was established in the People's Republic of China (the "PRC") as a collective enterprise under its former name of Shanghai Qingpu Fire-Fighting Equipment Factory ("上海青浦消防器材廠"). In 1999, it was transformed into a limited liability company. Through a series of equity transfers and capital injections in 2000, the Company was transformed into a joint stock limited liability company 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 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.

On 30 June 2004, 55,560,000 new H shares in the Company were issued and listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year, there were no significant changes in the Group's principal activities, which are:

- manufacture and sale of pressure vessels (including fire-fighting equipment products and pressure vessels products);
- provision of fire technology inspection services;
- manufacture and trading of iron casted grooved couplings; and
- trading of sanitary-ware and other products.

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. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) promulgated by the International Accounting Standards Board ("IASB"). The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of consolidated financial statements, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in Sections 76 to 87 of Schedule 11 to that Ordinance. In addition, the consolidated financial statement include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "GEM Listing Rules") of the Stock Exchange. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss, which have been measured at fair value.

The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated. RMB is the Company's functional and presentation currency.

3. CHANGE IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised standards and new interpretations, which are applicable to the Group, for the first time for the current year's consolidated financial statements:

Amendments to IFRS 10, IFRS 12 and IAS 27 (2011)	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC – Int 21	Levies
Amendment to IFRS 13 included in Annual Improvements 2010 – 2012 Cycle	Short-term Receivables and Payables
Amendment to IFRS 1 included in Annual Improvements 2011 – 2013 Cycle	Meaning of Effective IFRSs

Other than explained below regarding the impact of amendments to IFRS 10, IFRS 12, IAS 27 (2011), IAS 32 and IAS 36, and certain amendments included in Annual Improvements 2010 – 2012 Cycle, the adoption of the above revised standards and interpretation has had no significant financial effect on the financial statements.

(a) Amendments to IFRS 10 included a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss rather than consolidate them. Consequential amendments were made to IFRS 12 and IAS 27 (2011). The amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in IFRS 10.

(b) The IAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in IAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments have had no impact on the Group as the Group does not have any offsetting arrangement.

(c) The IFRS 13 Amendment clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has had no impact on the Group.

4. NEW AND REVISED IFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED

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

Amendments to IAS 1	Disclosure Initiative[2]
IFRS 9	Financial Instrument[4]
Amendments to IFRS 10 and IAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to IFRS 11	Accounting for Acquisition of Interests in Join Operations[2]
IFRS 14	Regulatory Deferral Account[2]
IFRS 15	Revenue from Contracts with Customers[3]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[2]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[1]
Amendment to IAS 27 (2011)	Equity Method in Separate Financial Statements[2]
Annual Improvements 2010 – 2012 Cycle	Amendments to a number of IFRSs[1]
Annual Improvements 2011 – 2013 Cycle	Amendments to a number of IFRSs[1]
Annual Improvements 2012 – 2014 Cycle	Amendments to a number of IFRSs[1]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 January 2018

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of the impact of these changes.

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

In July 2014, the IASB published the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. The Group expects that the adoption of IFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

The amendments to IFRS 10 and IAS 28 (2011) address an inconsistency between the requirements in IFRS 10 and in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1 January 2016.

IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. The Group expects to adopt IFRS 15 on 1 January 2017 and is currently assessing the impact of IFRS 15 upon adoption.

Amendments to IAS 16 and IAS 38 clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

The *Annual Improvements to IFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of IFRSs. Except for those described in note 3, the Group expects to adopt the amendments from 1 January 2015. None of the amendments are expected to have a significant financial impact on the Group. Details of the amendment most applicable to the Group are as follows:

IFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

5. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five (2013: five) reportable operating segments as follows:

(i) Fire-fighting equipment segment – manufacture and sale of pressure vessels (including fire-fighting equipment products and pressure vessels products);

(ii) Inspection services segment – provision of fire technology inspection services;

(iii) Grooved couplings segment – manufacture and trading of iron casted grooved couplings;

(iv) Trading segment – trading of sanitary-ware and other products; and

(v) Property investment segment – invests in office building and industrial properties for its rental income potential.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income and finance costs, as well as head office and corporate, expenses are excluded from such measurement.

Segment liabilities exclude amount due to/loan from the immediate holding company, amount due to non-controlling interest, amount due to a related company, tax payables and deferred tax liabilities as these liabilities are managed on a group basis.

For the year ended 31 December 2014

	Fire fighting equipment *RMB'000*	Inspection services *RMB'000*	Grooved couplings *RMB'000*	Trading *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Segment revenue:						
Sales/services provided to external customers	**70,858**	**9,051**	**510**	**37,067**	**–**	**117,486**
Gross rental income	**–**	**–**	**–**	**–**	**2,016**	**2,016**
	70,858	**9,051**	**510**	**37,067**	**2,016**	**119,502**
Segments results	**(2,088)**	**3,597**	**46**	**2,684**	**4,685**	**8,924**
Reconciliation:						
Interest income						**392**
Other income						**905**
Corporate and unallocated expenses						**(1,756)**
Profit before tax						**8,465**
Segment assets	**72,105**	**10,371**	**–**	**13,601**	**27,140**	**123,217**
Unallocated assets						**–**
Total assets						**123,217**
Segment liabilities	**14,117**	**615**	**–**	**5,560**	**–**	**20,292**
Unallocated liabilities						**18,424**
Total liabilities						**38,716**
Capital expenditure	**502**	**31**	**–**	**–**	**–**	**533**
Depreciation and amortisation	**2,224**	**199**	**–**	**–**	**–**	**2,423**

For the year ended 31 December 2013

	Fire fighting equipment *RMB'000*	Inspection services *RMB'000*	Grooved couplings *RMB'000*	Trading *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Segment revenue:						
Sales/services provided to external customers	83,193	7,954	10,006	12,258	–	113,411
Gross rental income	–	–	–	–	2,442	2,442
	83,193	7,954	10,006	12,258	2,442	115,853
Segments results	1,959	3,807	858	260	3,320	10,204
Reconciliation:						
Interest income						248
Other income						330
Corporate and unallocated expenses						(975)
Profit before tax						9,807
Segment assets	73,799	7,223	–	14,258	24,370	119,650
Unallocated assets						–
Total assets						119,650
Segment liabilities	16,559	526	–	6,353	–	23,438
Unallocated liabilities						17,694
Total liabilities						41,132
Capital expenditure	420	22	–	–	–	442
Depreciation and amortisation	2,465	175	–	–	–	2,640
Unallocated depreciation and amortisation	–	–	–	–	–	29
Total depreciation and amortisation	2,465	175	–	–	–	2,669

Information about major customers

Revenue from transactions with a single external customer of approximately RMB35,754,000 (2013: RMB11,486,000), which represented more than 10% of the Group's revenue, was derived from trading of products segment. This customer is an independent third party.

6. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of sale of pressure vessels (including fire fighting equipment products and pressure vessels products), provision of fire technology inspection services, trading of iron casted grooved couplings and trading of sanitary-ware and other products, net of business tax, value-added tax, trade discounts and returns during the year.

An analysis of revenue, other income and gains is as follows:

	2014	2013
	RMB'000	*RMB'000*
Revenue		
Sales of pressure vessels	**70,858**	83,193
Inspection services rendered	**9,051**	7,954
Trading of iron casted grooved couplings	**510**	10,006
Trading of sanitary-ware and other products	**37,067**	12,258
Total revenue	**117,486**	113,411
Other income and gains		
Interest income	**392**	248
Gross rental income	**2,016**	2,442
Sales of scraps	**287**	384
Reversal of write down of inventories	**700**	–
Fair value gains on investment properties	**2,770**	1,000
Gain on disposal of items of property, plant and equipment	**–**	116
Gain on disposal of financial assets at fair value through profit or loss	**403**	–
Others	**502**	330
Total other income and gains	**7,070**	4,520
Total revenue, other income and gains	**124,556**	117,931

7. PROFIT BEFORE TAX

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

	2014	2013
	RMB'000	*RMB'000*
Cost of inventories sold*	**92,230**	87,008
Cost of services provided^	**3,889**	3,016
	96,119	90,024
Amortisation of prepaid land lease payments	**3**	3
Depreciation of property, plant and equipment	**2,420**	2,666
Exchange losses, net	**15**	14
Minimum lease payments under operating leases:		
land and buildings	**534**	619
Auditors' remuneration	**603**	346
Add: under-provision for previous year	**287**	–
	890	346
Write off of items of property, plant and equipment	**1**	10
Impairment of trade and bills receivables	**1,000**	400
Write off of inventory due to closure of a branch	**406**	–
Employee benefits expenses (including directors' and supervisors' remuneration:		
Wages and salaries	**13,180**	14,248
Pension scheme contributions	**4,184**	3,997
	17,364	18,245
Gain on disposal of financial assets at fair value through profit or loss	**(403)**	–
Loss/(gain) on disposal of items of property, plant and equipment	**70**	(116)
Rental income on investment properties less direct operating expenses of RMB101,000 (2013: RMB122,000)	**(1,915)**	(2,320)
Reversal of write down of inventories	**(700)**	–
Fair value gains on investment properties	**(2,770)**	(1,000)
Interest income	**(392)**	(248)

* *The cost of inventories sold includes depreciation charges and salaries of approximately RMB2,258,000 and RMB7,796,000 (2013: RMB2,246,000 and RMB8,625,000), respectively, which are also included in the respective total amounts disclosed above.*

^ *The cost of services provided includes salaries of approximately RMB565,000 (2013: RMB655,000), which is also included in staff costs disclosed above.*

8. INCOME TAX

No provision for Hong Kong profits tax have been made as the Group had no assessable profits arising in Hong Kong during the year (2013: Nil). Under the Corporate Income Tax Law, the corporate income tax ("CIT") rate is calculated at a rate of 25% (2013: 25%) on the Group's estimated assessable profits for the year ended 31 December 2014.

Pursuant to an approval document issued by the Shanghai Municipal Bureau of Local Taxation, one of the Company's subsidiaries has been designated as a small low-profit services enterprise and was subject to the concessionary tax rate of 2.5%. Under the Corporate Income Tax Law, the CIT rate is calculate at a rate of 25% on the 10% revenue generated by one of the Company's subsidiaries for the years ended 31 December 2013 and 2014.

	2014	2013
	RMB'000	*RMB'000*
Group:		
Current – the PRC:		
Charge for the year	**1,761**	1,380
Under-provision in prior year	**9**	88
Deferred	**693**	250
Total tax charge for the year	**2,463**	1,718

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

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rates (i.e. the statutory tax rates) to the effective tax rates, are as follows:

	Group			
	2014		2013	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**8,465**		9,807	
Tax at statutory tax rate	**2,116**	**25**	2,452	25
Effect of concessionary tax rate	**(918)**	**(11)**	(843)	(9)
Tax effect of non-deductible expenses	**264**	**3**	261	3
Tax effect of non-taxable income	**(262)**	**(3)**	(165)	(1)
Tax effect on temporary differences not recognised	**351**	**4**	148	1
Tax effect of tax losses not recognised/ (utilised)	**696**	**8**	(223)	(2)
Under-provision in prior year	**9**	**–**	88	1
Others	**207**	**3**	–	–
Tax charge at the Group's effective tax rate	**2,463**	**29**	1,718	18

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

The calculation of basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the Company of RMB7,334,000 (2013: RMB7,839,000) and the number of ordinary shares of 187,430,000 (2013: 187,430,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts for the years ended 31 December 2014 and 2013 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

10. TRADE AND BILLS RECEIVABLES

	Group	
	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**17,529**	18,888
Less: Impairment	**(1,909)**	(909)
	15,620	17,979
Bills receivables	**44**	907
	15,664	18,886

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 months, extending up to half year for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables in order 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 and bills receivables as at the end of reporting period, based on the invoice date, is as follows:

	Group	
	2014	2013
	RMB'000	*RMB'000*
Within 1 month	**5,822**	6,139
1 to 2 months	**2,502**	3,681
2 to 3 months	**1,657**	1,570
Over 3 months	**5,683**	7,496
	15,664	18,886

11. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	2014	2013
	RMB'000	*RMB'000*
Within 1 month	**2,562**	4,886
1 to 2 months	**1,903**	1,207
2 to 3 months	**1,613**	1,454
Over 3 months	**3,792**	4,855
	9,870	12,402

12. BUSINESS COMBINATION UNDER COMMON CONTROL

On 7 November 2012, the Company and its direct 90%-owned subsidiary, Shanghai Liming Fire Testing Co., Limited ("Liming"), entered into a sale and purchase agreement (the "S&P Agreement") with Liancheng and Mr. Wang Sheng (an independent third party, and together with Liancheng, be collectively referred as the "Vendors"), pursuant to which, the Company and Liming collectively acquired (the "Acquisition") from the Vendors the entire issued capital of Anchor, resulting in an effective 99% of the equity interests in Anchor. On the same date, an excluded interest agreement (the "Excluded Interest Agreement") was entered into among the Company, Liming, the Vendors, Anchor and Shanghai Pressure Special Gas Cylinder Co., Limited ("Special Cylinder", a subsidiary of Anchor) to exclude from the S&P Agreement the land and building situated at No. 18, Lane 575, Jujiaqiao Road, Pudong New Area, Shanghai, the PRC (the "Excluded Interest"). The aggregate consideration (the "Consideration") for the Acquisition under the S&P Agreement and the Excluded Interest Agreement amounted to RMB6 million has been satisfied by crediting against the current account with Liancheng by utilising the existing RMB50 million loan facility provided by Zhejiang Hengtai and Liancheng.

The Acquisition was approved by the Company's independent shareholders at an extraordinary general meeting on 23 July 2013 and was completed on 29 July 2013, with the Qingpu Group holding an effective 99% of equity interests in Anchor.

In the opinion of the directors, the Acquisition is a business combination under common control since the Qingpu Group and the Anchor Group were under the common control of Liancheng both before and after the completion of the Acquisition. Accordingly, the Qingpu Group has applied merger accounting to account for the business combination under common control and combined the consolidated financial statements of the Anchor Group since 11 April 2011, the earlier of the date the Anchor Group being controlled by Liancheng, as if the Acquisition had occurred at that date. No significant adjustments were considered necessary to be made to the net assets and net profit of the Anchor Group as a result of the common control combination in order to align its accounting policies with the Qingpu Group.

The Anchor Group was principally engaged in the manufacturing and sale of pressure vessels products and the trading of sanitary-ware and other products.

13. DIVIDEND

The Board does not recommend the payment of any dividends for the year ended 31 December 2014 (2013: Nil).

14. COMMITMENTS

(1) Operating Lease Arrangements

(a) As lessor

The Group lease its investment properties and sub-lease its leased properties to independent third parties under operating leases arrangements with the leases negotiated for terms ranging from 3 to 5 years. The terms of the leases 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 2014, the Group had total future minimum lease receivable under non-cancellable operating leases falling due as follows:

	Group	
	2014	2013
	RMB'000	*RMB'000*
Within one year	**2,102**	2,509
In the second to fifth years, inclusive	**1,124**	2,773
	3,226	5,282

(b) As lessee

The Group lease certain land and buildings from independent third parties under operating lease arrangements. Leases for land and properties are negotiated for terms ranging from 1 to 10 years.

At 31 December 2014, the Group had total future minimum lease payments under non-cancellable operating leases with its tenant falling due as follows:

	Group	
	2014	2013
	RMB'000	*RMB'000*
Within one year	**458**	767
In the second to fifth years, inclusive	**2,321**	2,827
After five years	**1,143**	1,313
	3,922	4,907

(2) Capital and other Commitments

Except for the operating lease arrangements, the Group did not have any significant capital and other commitments at the end of the reporting period.

BUSINESS REVIEW

For the year ended 31 December 2014, the Group recorded a turnover of approximately RMB117,486,000 (year ended 31 December 2013: RMB113,411,000), representing an increase of approximately 3.6% over last year. The increase is a result of the efforts of the sales department of the Company.

GROSS PROFITS

For the year ended 31 December 2014, the Group recorded overall gross profit of approximately RMB21,367,000 (year ended 31 December 2013: RMB23,387,000), representing a decrease of approximately 8.6% over last year. This is due to a lower gross margin in trading of products in this year.

OTHER INCOME AND GAINS

Other income and gains for the year ended 31 December 2014 increased by approximately RMB2,550,000 from RMB4,520,000 for the year ended 31 December 2013 to approximately RMB7,070,000. This is mainly due to fair value gains on investment properties.

SELLING AND DISTRIBUTION COSTS

For the year ended 31 December 2014, the Group's selling and distribution costs decreased to approximately RMB2,476,000 from RMB2,874,000, representing a decrease of 13.8% over the last year. This is due to the increase in trading of products which involve less selling and distribution cost.

ADMINISTRATIVE EXPENSES

For the year ended 31 December 2014, the Group's administrative expenses amounted to approximately RMB17,496,000 (year ended 31 December 2013: approximately RMB15,226,000), representing an increase of 14.9%. The increase is mainly due to the impairment of trade and bills receivables and write off of inventory due to closure of a branch.

FINANCE COSTS

No finance costs were recorded for the years ended 31 December 2014 and 2013.

INCOME TAX

No provision for Hong Kong profits tax have been made as the Group had no assessable profits arising in Hong Kong during the year (2013: Nil). Under the Corporate Income Tax Law, the corporate income tax ("CIT") rate is calculated at a rate of 25% (2013: 25%) on the Group's estimated assessable profits for the year ended 31 December 2014.

Pursuant to an approval document issued by the Shanghai Municipal Bureau of Local Taxation, one of the Company's subsidiaries has been designated as a small low-profit services enterprise and was subject to the concessionary tax rate of 2.5%. Under the Corporate Income Tax Law, the CIT rate is calculate at a rate of 25% on the 10% revenue generated by one of the Company's subsidiaries for the years ended 31 December 2013 and 2014.

NON-CONTROLLING INTERESTS

For the year ended 31 December 2014, loss for the period attributable to non-controlling interests is approximately RMB1,332,000 (year ended 31 December 2013: profit of approximately RMB250,000).

PROFIT ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December 2014, the Group recorded profit for the year of approximately RMB7,334,000 (year ended 31 December 2013: RMB7,839,000), representing a decrease of approximately 6.4%, which was primary attributable to the unexpected stiff competitions in fire-fighting equipments market leading to a loss making segment.

PROSPECT

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.

Measures have been and will be implemented continuously to improve the operation efficiency and to control production costs. Production will be more focused on higher-margin products and production of lower-margin products will be reduced to raise the overall profit margin of the Company. With the economic uncertainties continue to grow in China in 2015, the Company intends to improve the profitability of the Group by increasing the operation efficiency and reducing the overhead expenses. Production in Shanghai Qingpu Fire Fighting Equipment Company Limited, Jiangshan Branch Company ("Jiangshan Branch") has been stopped as part of overhead expenses reduction plan in 2014. During the year, the Company has tried to consolidate the production plants to enhance the production efficiency. However, due to the rapid changes in market situations, the consolidation has not yet been completed. The Company is still looking for opportunities to improve the effectiveness and efficiency of the Company's business, not only by consolidation of production plants, but other opportunities such as merger and acquisition of business which has synergy with the existing business of the Company when opportunities come.

The Company considers that there exists business potential in the market for the provision of fire consulting and testing services as there are approximately 25 companies licensed to provide such services in Shanghai, but according to the Shanghai government policy, all new buildings are required to pass the fire safety test and all existing buildings are subject to annual fire safety inspection. The Company is considering to expand into such business and/or related business in Shanghai and/or other Provinces in China.

EMPLOYEES

As at 31 December 2014, the Group had 286 employees (2013: 318 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 Group is required to make contributions to a defined contribution retirement scheme for all qualified employees in the PRC. The Group has, in compliance with relevant local government regulations, made payment for such scheme during the year. The Group has no obligation for the payment of other retirement and non-retirement benefits of employees other than the contributions described above.

The Group 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 Group's relationship with its employees to be good.

MATERIAL ACQUISITION

The Group did not have any material acquisition during the year ended 31 December 2014.

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 31 December 2014.

COMMITMENTS

Details of the commitments are set out in note 14.

CORPORATE GOVERNANCE REPORT

Pursuant to Rule 18.44(2) and Appendix 15 of the GEM Listing Rules, the Company wishes to state that it has complied with all code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in the Appendix 15 of the GEM Listing Rules 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; (ii) the improvement in transparency and disclosure of information to shareholders; (iii) the continuance in respect of 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

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company has set up an audit committee according to "A Guide For The Formation of An Audit Committee" compiled by the Hong Kong Institute of Certified Public Accountants. In compliance with Rule 5.29 of the GEM Listing Rules, the authority and responsibility of the audit committee have been properly written out. The primary duties of the audit committee are to review and monitor the Company's financial reporting process and internal control system. The audit committee for the year 2014 comprises of Yang Chun Bao and Zhang Cheng Ying (replaced by Song Zi Zhang on 11 November 2014), who are independent non-executive Directors and Chai Xiao Fang, who is a non-executive Director. Yang Chun Bao and Chai Xiao Fang possess appropriate professional qualification and financial experience.

The Audit Committee has reviewed the Company audited final results for the year ended 31 December 2014.

SCOPE OF WORK OF THE AUDITORS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Company's auditors, Ascenda Cachet CPA Limited (the "Auditors"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditors on the preliminary announcement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries did not purchase, redeem or sell any of the Company's listed securities during the year.

AUDITORS

There have been no changes of auditors in the past three years. A resolution to re-appoint Ascenda Cachet CPA Limited as auditors of the Company will be proposed at the forthcoming annual general meeting.

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

Hong Kong, 20 March 2015

As at the date of this announcement, the executive Directors are Mr. Zhou Jin Hui, Mr. Shi Hui Xing and Mr. Zhou Guo Ping; the non-executive Directors are Ms. Chai Xiao Fang and Mr. Shen Jian Zhong; 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 responsibility, 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" for at least 7 days from the date of publication.