



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 2015**

**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.

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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 the identification purpose only

The Board hereby presents the audited consolidated final results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2015 follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2015

	<i>Notes</i>	2015 RMB'000	2014 RMB'000
Revenue	4	67,679	117,486
Cost of sales		<u>(52,961)</u>	<u>(96,119)</u>
Gross profit		14,718	21,367
Other income and gains	4	4,734	7,070
Selling and distribution expenses		(2,757)	(2,476)
Administrative expenses		<u>(17,160)</u>	<u>(17,496)</u>
(Loss)/profit before tax	5	(465)	8,465
Income tax expense	6	<u>(1,378)</u>	<u>(2,463)</u>
(Loss)/profit for the year		<u>(1,843)</u>	<u>6,002</u>
Attributable to:			
Owners of the Company		(1,070)	7,334
Non-controlling interests		<u>(773)</u>	<u>(1,332)</u>
		<u>(1,843)</u>	<u>6,002</u>
 (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic (RMB cents)	7	<u>(0.57)</u>	<u>3.9</u>
Diluted (RMB cents)		<u>(0.57)</u>	<u>3.9</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2015

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
(LOSS)/PROFIT FOR THE YEAR	(1,843)	6,002
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	<u> -</u>	<u> -</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>(1,843)</u></u>	<u><u>6,002</u></u>
Attributable to:		
Owners of the Company	(1,070)	7,334
Non-controlling interests	<u>(773)</u>	<u>(1,332)</u>
	<u><u>(1,843)</u></u>	<u><u>6,002</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

	<i>Notes</i>	2015 RMB'000	2014 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		15,809	11,957
Investment properties		22,630	27,140
Prepaid land lease payments		115	119
Intangible assets		1,755	–
		<hr/>	<hr/>
Total non-current assets		40,309	39,216
CURRENT ASSETS			
Inventories		13,646	15,648
Trade and bills receivables	9	25,820	15,664
Prepayments, deposits and other receivables		11,078	14,804
Due from fellow subsidiaries		1,168	1,674
Cash and cash equivalents		28,499	36,211
		<hr/>	<hr/>
Total current assets		80,211	84,001
CURRENT LIABILITIES			
Trade payables	10	7,910	9,870
Other payables and accruals		7,191	10,422
Due to the immediate holding company		906	906
Due to non-controlling interest		1,451	1,451
Due to a related company		2,798	2,798
Interest-bearing bank borrowing		2,490	–
Tax payables		43	406
		<hr/>	<hr/>
Total current liabilities		22,789	25,853
NET CURRENT ASSETS		<hr/> 57,422	<hr/> 58,148
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 97,731	<hr/> 97,364

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
NON-CURRENT LIABILITIES		
Loan from the immediate holding company	7,800	7,800
Deferred tax liabilities	5,233	5,063
	<hr/>	<hr/>
Total non-current liabilities	13,033	12,863
	<hr/>	<hr/>
Net assets	84,698	84,501
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the Company		
Issued capital	18,743	18,743
Reserves	66,333	67,403
	<hr/>	<hr/>
	85,076	86,146
	<hr/>	<hr/>
Non-controlling interests	(378)	(1,645)
	<hr/>	<hr/>
Total equity	84,698	84,501
	<hr/> <hr/>	<hr/> <hr/>

NOTES:

1. CORPORATE INFORMATION

Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. (the “Company”) 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 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, the Group was involved in the following principal activities:

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

The sales of aquarium products was commenced during the year through a newly incorporated subsidiary.

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.

2.1 BASIS OF PREPARATION

These 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”). These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of consolidated financial statements. In addition, these 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, which have been measured at fair value.

2.2 CHANGE IN ACCOUNTING POLICY AND DISCLOSURES

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

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
- Annual Improvements to IFRSs 2010–2012 Cycle
- Annual Improvements to IFRSs 2011–2013 Cycle

The adoption of the above new standards and amendments have no material impact of the Group's consolidated financial statements.

In addition, the Company has adopted the amendments to the GEM Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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 IFRS 9	Disclosure Initiative ¹ Financial Instrument ²
Amendments to IFRS 10 and IAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS 10, IFRS 12 and IAS 28 (2011)	Investment Entities: Applying the Consolidation Exception ¹
Amendments to IFRS 11 IFRS 14	Accounting for Acquisition of Interests in Join Operations ¹ Regulatory Deferral Account ³
IFRS 15	Revenue from Contracts with Customers ²
IFRS 16	Leases ⁴
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants ¹
Amendment to IAS 27 (2011)	Equity Method in Separate Financial Statements ¹
Annual Improvements 2012–2014 Cycle	Amendments to a number of IFRSs ¹

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

⁴ Effective for annual period beginning on or after 1 January 2019

The Group is in the process of assessing the impact of these standards, amendments and interpretations on the consolidated financial statements of the Group. The adoption of the above is not expected to have a material impact on the consolidated financial statements of the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has six (2014: 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 commission income;
- (v) Aquarium products segment — sales of aquarium products; and
- (vi) Property investment segment — invests in office building and industrial properties for its rental income potential.

The aquarium products segment was commenced during the year through a newly incorporated subsidiary.

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, tax payables and deferred tax liabilities as these liabilities are managed on a group basis.

The group operates principally in the PRC. Over 90% of the Group's revenue is derived from sales of goods and rendering of services in the PRC and over 90% of the Group's assets are located in the PRC. Accordingly, no further disclosures by reportable segments based on geographical segment were made.

For the year ended 31 December 2015

	Fire fighting equipment RMB'000	Inspection services RMB'000	Grooved couplings RMB'000	Trading RMB'000	Aquarium products RMB'000	Property investment RMB'000	Total RMB'000
Segment revenue:							
Sales/services provided to external customers	51,352	12,295	–	2,283	1,749	–	67,679
Gross rental income	–	–	–	–	–	2,403	2,403
	<u>51,352</u>	<u>12,295</u>	<u>–</u>	<u>2,283</u>	<u>1,749</u>	<u>2,403</u>	<u>70,082</u>
Segments results	(7,719)	3,245	–	2,283	31	2,963	803
Reconciliation:							
Interest income							24
Income from investment plan							955
Other income							505
Corporate and unallocated expenses							(2,752)
Loss before tax							<u>(465)</u>
Segment assets	70,242	12,535	–	10,644	4,469	22,630	120,520
Unallocated assets							–
Total assets							<u>120,520</u>
Segment liabilities	15,582	1,879	–	–	447	–	17,908
Unallocated liabilities							17,914
Total liabilities							<u>35,822</u>
Capital expenditure	565	–	–	–	667	–	1,232
Impairment of trade receivables	221						221
Depreciation and amortisation	<u>2,135</u>	<u>202</u>	<u>–</u>	<u>–</u>	<u>45</u>	<u>–</u>	<u>2,382</u>

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
	<u>70,858</u>	<u>9,051</u>	<u>510</u>	<u>37,067</u>	<u>2,016</u>	<u>119,502</u>
Segments results	(2,088)	3,597	46	2,684	4,685	8,924
Reconciliation:						
Interest income						392
Income from investment plan						403
Other income						502
Corporate and unallocated expenses						<u>(1,756)</u>
Profit before tax						<u>8,465</u>
Segment assets	72,105	10,371	–	13,601	27,140	123,217
Unallocated assets						<u>–</u>
Total assets						<u>123,217</u>
Segment liabilities	14,117	615	–	5,560	–	20,292
Unallocated liabilities						<u>18,424</u>
Total liabilities						<u>38,716</u>
Capital expenditure	502	31	–	–	–	533
Impairment of trade receivables	1,000	–	–	–	–	1,000
Depreciation and amortisation	<u>2,224</u>	<u>199</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,423</u>

Information about major customers

For the year ended 31 December 2015, there was no revenue from sales to any single external customer that contributed over 10% of the Group's total revenue. For the year ended 31 December 2014, revenue from transactions with a single external customer of approximately RMB35,754,000, which represented more than 10% of the Group's revenue, was derived from trading of products segment. This customer is an independent third party.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains for the year ended 31 December 2015 is as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Revenue		
Sales of pressure vessels	51,352	70,858
Inspection services rendered	12,295	9,051
Trading of iron casted grooved couplings	–	510
Sales of aquarium products	1,749	–
Trading of sanitary-ware and other products	–	37,067
Commission income on trading of sanitary-ware	2,283	–
	<u>67,679</u>	<u>117,486</u>
Total revenue		
Other income and gains		
Interest income	24	392
Income from investment plan	955	403
Gross rental income	2,403	2,016
Sales of scraps	102	287
Reversal of write down of inventories	–	700
Fair value gains on investment properties	680	2,770
Exchange gain, net	54	–
Others	516	502
	<u>4,734</u>	<u>7,070</u>
Total other income and gains		
Total revenue, other income and gains	<u><u>72,413</u></u>	<u><u>124,556</u></u>

5. (LOSS)/PROFIT BEFORE TAX

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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Cost of inventories sold	45,688	92,230
Cost of services provided	7,273	3,889
	<u>52,961</u>	<u>96,119</u>
Amortisation of prepaid land lease payments	3	3
Amortisation of intangible assets	45	–
Depreciation of property, plant and equipment	2,337	2,420
Minimum lease payments under operating leases:		
Land and buildings	1,807	534
Impairment of trade receivables	221	1,000
Employee benefits expenses (including directors' and supervisors' remuneration (<i>note 7</i>)):		
Wages and salaries	10,898	13,180
Pension scheme contributions	3,387	4,184
	<u>14,285</u>	<u>17,364</u>

6. 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 (2014: Nil). Under the Corporate Income Tax Law, the corporate income tax (“CIT”) rate is calculated at a rate of 25% (2014: 25%) on the Group’s estimated assessable profits for the year ended 31 December 2015.

Under the Corporate Income Tax Law, the CIT rate applicable to small-scale enterprises with low profitability that meet certain conditions shall be reduced to 20%. One of the Company’s subsidiaries has been designated as a small-scale enterprise. Pursuant to the notice of the Ministry of Finance and the State Administration of Taxation on Preferential Income Tax Policies for Small Low-Profit Enterprises, the CIT rate is calculated at a rate of 20% on the 50% assessable profits generated by this subsidiary for the year ended 31 December 2015.

Pursuant to an approval document issued by the Shanghai Municipal Bureau of Local Taxation, one of the Company’s subsidiaries had been designated as a small low-profit services enterprise and was subject to the concessionary tax rate of 2.5%, i.e. at a rate of 25% on 10% of its revenue, for the year ended 31 December 2014. This subsidiary is subject to the normal CIT rate of 25% thereafter.

	2015	2014
	<i>RMB’000</i>	<i>RMB’000</i>
Current — the PRC:		
Charge for the year	1,145	1,761
Under-provision in prior year	63	9
Deferred	170	693
Total tax charge for the year	<u>1,378</u>	<u>2,463</u>

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

The calculation of basic (loss)/earnings per share amounts is based on the loss attributable to ordinary equity holders of the Company of RMB1,070,000 (2014: profit of RMB7,334,000) and the number of ordinary shares of 187,430,000 (2014: 187,430,000) in issue during the year.

No adjustment has been made to the basic (loss)/earnings per share amounts for the years ended 31 December 2015 and 2014 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during these years.

8. DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31 December 2015 (2014: Nil).

9. TRADE AND BILLS RECEIVABLES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Trade receivables	26,218	17,529
Less: Impairment	(1,897)	(1,909)
	24,321	15,620
Bills receivables	1,499	44
	25,820	15,664

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. 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:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Within 1 month	6,804	5,822
1 to 2 months	1,109	2,502
2 to 3 months	3,527	1,657
Over 3 months	14,380	5,683
	25,820	15,664

10. 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:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Within 1 month	2,678	2,562
1 to 2 months	2,083	1,903
2 to 3 months	653	1,613
Over 3 months	2,496	3,792
	7,910	9,870

All of the trade payables are non-interest bearing and are normally settled within one year.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2015, the Group recorded a turnover of approximately RMB67,679,000 (year ended 31 December 2014: RMB117,486,000), representing a decrease of approximately 42% over last year because customers stop ordering or ordering less due to the weak economic environment in China. In addition, change in business model from sales of sanitary-ware and other products to commission income received on trading of sanitary-ware and other products also lead to the decrease in turnover compared with the year ended 31 December 2014.

GROSS PROFITS

For the year ended 31 December 2015, the Group recorded overall gross profit of approximately RMB14,718,000 (year ended 31 December 2014: RMB21,367,000), representing a gross profit ratio of 22% comparing to 18% for the year ended 31 December 2014. The increase was mainly due to concentration on sale of higher profit margin products and tighter cost control on productions.

OTHER INCOME AND GAINS

Other income and gains for the year ended 31 December 2015 decreased by approximately RMB2,336,000 from RMB7,070,000 for the year ended 31 December 2014 to approximately RMB4,734,000. This is mainly due to decrease in fair value gains on investment properties in 2015.

SELLING AND DISTRIBUTION COSTS

For the year ended 31 December 2015, the Group's selling and distribution costs increased to approximately RMB2,757,000 from RMB2,476,000, representing an increase of 11% over the corresponding period of last year. This is mainly due to the increase in promotional expenses in the last quarter of 2015 hoping to build a stronger foundation for the sales in 2016.

ADMINISTRATIVE EXPENSES

For the year ended 31 December 2015, the Group's administrative expenses amounted to approximately RMB17,160,000 (year ended 31 December 2014: approximately RMB17,496,000), representing a decrease of 2%. The decrease is mainly due to tight control on administrative expenses.

FINANCE COSTS

No significant finance costs were recorded for the years ended 31 December 2015 and 2014.

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 (2014: Nil). Under the Corporate Income Tax Law, the corporate income tax (“CIT”) rate is calculated at a rate of 25% (2014: 25%) on the Group’s estimated assessable profits for the year ended 31 December 2015.

Under the Corporate Income Tax Law, the CIT rate applicable to small-scale enterprises with low profitability that meet certain conditions shall be reduced to 20%. One of the Company’s subsidiaries has been designated as a small-scale enterprise. Pursuant to the notice of the Ministry of Finance and the State Administration of Taxation on Preferential Income Tax Policies for Small Low-Profit Enterprises, the CIT rate is calculated at a rate of 20% on the 50% assessable profits generated by this subsidiary for the year ended 31 December 2015.

Pursuant to an approval document issued by the Shanghai Municipal Bureau of Local Taxation, one of the Company’s subsidiaries had 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 was calculated at a rate of 25% on the 10% revenue generated by one of the Company’s subsidiaries for the year ended 31 December 2014.

NON-CONTROLLING INTERESTS

For the year ended 31 December 2015, loss for the period attributable to non-controlling interests is approximately RMB773,000 (year ended 31 December 2014: loss RMB1,332,000).

LOSS/PROFIT ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December 2015, the Group recorded loss for the year attributable to the owners of the Company of approximately RMB1,070,000 (year ended 31 December 2014: profit of RMB7,334,000). The loss was primary attributable to the decrease in sales due to the weak economic environment in China.

EMPLOYEES

As at 31 December 2015, the Group had 277 employees (2014: 286 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.

SHARE CAPITAL

There is no change in registered, issued and fully paid capital of the Company during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the People's Republic of China which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

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.

EVENTS AFTER THE REPORTING PERIOD

On 26 January 2016, the Group entered into a sale and purchase agreement with two independent third parties (the "Vendors"), pursuant to which, the Group had acquired and the Vendors had sold 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.) at a consideration of RMB6,000,000, which was settled in cash.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

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.

CHAIRMAN AND GENERAL MANAGER

During the year 2014, Mr. Zhou Jin Hui and Mr. Shi Hui Xing is chairman and general manager, respectively, which are two clearly defined positions. The chairman is responsible for the operation of the Board while the general manager (equivalent to a chief executive) is in charge of daily management. The Articles of Association of the Company set out the respective functions of the chairman and the general manager in detail.

AUDIT COMMITTEE

The audit committee of the Board (the "Audit Committee"), as at the date of this announcement, comprises three members, all being independent non-executive Directors. The chairperson of the Audit Committee is Mr. Yang Chun Bao and the other members are Mr. Song Zi Zhang and Mr. Wang Guo Zhong. 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 has reviewed the Company's final results for the year ended 31 December 2015.

SCOPE OF WORK OF AUDITORS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Group's auditors, Ascenda Cachet CPA Limited ("Ascenda Cachet"), to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2015. The work performed by Ascenda Cachet 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 Engagements issued by the HKICPA and consequently no assurance has been expressed by Ascenda Cachet on the preliminary announcement.

ANNUAL REPORT

The annual report of the Company for the year ended 31 December 2015 will be despatched to its shareholders and published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.shanghaiqingpu.com) as soon as practicable.

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

Hong Kong, 22 March 2016

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zhou Jin Hui, Mr. Shi Hui Xing and Mr. Zhou Guo Ping; and three independent non-executive Directors, namely, Mr. Yang Chun Bao, Mr. Wang Guo Zhong and Mr. Song Zi Zhang.