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 2013

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 2013, together with the comparative figures for the year ended 31 December 2012 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2013

	Notes	2013 RMB'000	2012 RMB'000 (Restated)
Revenue	5	**113,411**	100,484
Cost of sales		**(90,024)**	(80,561)
Gross profit		**23,387**	19,923
Other income and gains	5	**4,520**	4,762
Selling and distribution expenses		**(2,874)**	(2,819)
Administrative expenses		**(15,226)**	(14,858)
Finance costs		**–**	–
Profit before tax	6	**9,807**	7,008
Income tax expense	7	**(1,718)**	(768)
Profit for the year		**8,089**	6,240
Attributable to:			
Owners of the Company		**7,839**	5,804
Non-controlling interests		**250**	436
		8,089	6,240
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic (RMB cents)		**4**	3
Diluted (RMB cents)		**4**	3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
PROFIT FOR THE YEAR	**8,089**	6,240
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**8,089**	6,240
Attributable to:		
Owners of the Company	**7,839**	5,804
Non-controlling interests	**250**	436
	8,089	6,240

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2013

	Notes	**31 December 2013** *RMB'000*	31 December 2012 *RMB'000* (Restated)	1 January 2012 *RMB'000* (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**14,005**	16,562	18,361
Investment properties		**24,370**	23,370	22,150
Prepaid land lease payments		**122**	125	128
Total non-current assets		**38,497**	40,057	40,639
CURRENT ASSETS				
Inventories		**17,511**	21,209	19,695
Trade and bills receivables	*9*	**18,886**	21,918	20,932
Prepayments, deposits and other receivables		**16,237**	7,128	5,592
Due from fellow subsidiaries		**3,252**	844	268
Due from non-controlling interest		**–**	250	250
Loans receivable from former controlling shareholder		**–**	–	–
Cash and cash equivalents		**25,267**	21,833	16,242
Total current assets		**81,153**	73,182	62,979
CURRENT LIABILITIES				
Trade payables	*10*	**12,402**	10,676	12,417
Other payables and accruals		**13,834**	10,437	12,081
Due to immediate holding company		**906**	13,456	7,480
Due to non-controlling interest		**1,496**	1,860	2,053
Tax payables		**324**	187	265
Total current liabilities		**28,962**	36,616	34,296
NET CURRENT ASSETS		**52,191**	36,566	28,683
TOTAL ASSETS LESS CURRENT LIABILITIES		**90,688**	76,623	69,322

	31 December 2013	31 December 2012	1 January 2012
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	(Restated)
NON-CURRENT LIABILITIES			
Loan from immediate holding company	**7,800**	1,800	1,800
Deferred tax liabilities	**4,370**	4,120	3,815
Total non-current liabilities	**12,170**	5,920	5,615
Net assets	**78,518**	70,703	63,707
EQUITY			
Equity attributable to owners of the Company			
Issued capital	**18,743**	18,743	18,743
Reserves	**60,108**	52,304	45,502
	78,851	71,047	64,245
Non-controlling interests	**(333)**	(344)	(538)
Total equity	**78,518**	70,703	63,707

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2013

	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 2012:										
– As previously reported	18,743	10,910	24,079	5,036	1,500	11,299	(26,850)	44,717	397	45,114
– Adjustment for business combination under common control *(note 11)*	–	–	18,521	72	–	–	935	19,528	(935)	18,593
– As restated	18,743	10,910	42,600	5,108	1,500	11,299	(25,915)	64,245	(538)	63,707
Total comprehensive income for the year	–	–	–	–	–	–	5,804	5,804	436	6,240
Transfer to statuary reserve funds	–	–	–	445	–	–	(502)	(57)	57	–
Waiver of amount due to immediate holding company	–	–	1,055	–	–	–	–	1,055	–	1,055
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	(299)	(299)
At 31 December 2012	18,743	10,910	43,655	5,553	1,500	11,299	(20,613)	71,047	(344)	70,703
At 1 January 2013:										
– As previously reported	**18,743**	**10,910**	**25,134**	**5,468**	**1,500**	**11,299**	**(21,828)**	**51,226**	**552**	**51,778**
– Adjustment for business combination under common control *(note 11)*	**–**	**–**	**18,521**	**85**	**–**	**–**	**1,215**	**19,821**	**(896)**	**18,925**
– As restated	**18,743**	**10,910**	**43,655**	**5,553**	**1,500**	**11,299**	**(20,613)**	**71,047**	**(344)**	**70,703**
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**

* *These reserve accounts comprise the consolidated reserves of approximately RMB60,108,000 (2012: approximately RMB52,304,000 (restated)) in the consolidated statement of financial position.*

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

31 December 2013

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 the 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.

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 trading of iron casted grooved couplings; and
- trading of sanitary-ware and other products*.

* *The activities of the manufacture and sale of pressure vessels products and the trading of sanitary-ware and other products were carried out by Shanghai Anchor Pressure Vessel (Group) Co., Limited ("Anchor") and its subsidiaries (the "Anchor Group"). Anchor was acquired by the Group from 聯城消防集團股份有限公司 (literally translated as "Liancheng Fire-Fighting Group Joint Stock Co., Ltd.", "Liancheng") during the year (the "Acquisition") (note 11). The Acquisition, which is considered by the directors as a business combination under common control, is accounted for using merger accounting (note 2).*

In the opinion of the directors, the Company's immediate holding company is 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) issued by the International Accounting Standards Board ("IASB"). In addition, the consolidated financial statements 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 of Hong Kong Limited (the "Stock Exchange") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, which have been measured at fair value.

As explained in note 11 to the financial information, due to the application of merger accounting for business combination under common control, which involves incorporating the consolidated financial statement items of the Anchor Group in which the common control consolidation occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the controlling party. Accordingly, the comparative financial information have been restated.

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2013. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidated.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Acquisition under common control

As detailed in note 11 to the financial information, on 29 July 2013, the Company and its direct 90%-owned subsidiary, 上海黎明消防檢測有限公司 (literally translated as "Shanghai Liming Fire Testing Co., Limited", "Liming"), collectively completed the acquisition of the entire equity interests in Anchor from Liancheng and Mr. Wang Sheng, an independent third party, resulting in an effective 99% equity interests in Anchor. In the opinion of the directors, the Acquisition is a business combination under common control since the Group and the Anchor Group were under the common control of Liancheng both before and after the completion of the Acquisition.

Acquisition under common control is accounted for using merger accounting. Merger accounting involves incorporating the financial statement items of the combining entities or business in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first come under the control of the controlling party. The net assets of the

Group and the combining entities or businesses are combined using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of the Group's interest in the net fair value of the acquired entities' or business' identifiable assets, liabilities and contingent liabilities over cost of acquisition at the time of the business combinations under common control, to the extent of the continuation of the controlling party's interest. Any excess of the consideration paid over the net carrying amount of the acquired entities are recognised in capital reserve. The consolidated statement of profit and loss includes the results of the Group and the acquired entities under common control since 11 April 2011, the date when the combining entities first came under common control, regardless of the date of the business combinations under common control.

3. CHANGE IN ACCOUNTING POLICY AND DISCLOSURES

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

IAS 1 Amendments	Amendments to IAS 1 *Presentation of Financial Statement – Other Comprehensive Income*
IAS 19 (2011)	Employee Benefits
IAS 27 (2011)	Separate Financial Statement
IAS 28 (2011)	Investment in Associate and Joint Venture
IAS 36 Amendments	Amendments to IAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets (early adopted)*
IFRS 7 Amendments	Amendments to IFRS 7 Financial Instruments: *Disclosures – Offsetting Financial Assets and Financial Liabilities*
IFRS 10	Consolidated Financial Statement
IFRS 11	Joint Arrangement
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IFRS 10, IFRS 11 and IFRS 12 Amendments	Amendments to IFRS 10, IFRS 11 and IFRS 12 – *Transition Guidance*
Annual Improvements 2009 – 2011 Cycle	Amendments to a number of IFRSs issued in May 2012

Other than as further explained below regarding the impact of IFRS 10, IFRS 13, amendments to IAS 1 and IAS 36, and certain amendments included in Annual Improvements 2009-2011 Cycle (Include other standards as appropriate), the adoption of the new and revised IFRSs has had no significant financial effect on the consolidated financial statements.

The principal effects of adopting these new and revised IFRSs are as follows:

(a) IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements and addresses the issues in SIC – 12 Consolidation – Special Purpose Entities. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in IFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by IFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

The application of IFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 January 2013.

(b) IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other IFRSs. IFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in IFRS 13, the policies for measuring fair value have been amended.

(c) The IAS 1 Amendments change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The consolidated statement of comprehensive income has been restated to reflect the changes. In addition, the Group has chosen to use the new title "consolidated statement of profit or loss" as introduced by the amendments in the consolidated financial statements.

(d) The IAS 36 Amendments remove the unintended disclosure requirements made by IFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided IFRS 13 is also applied. The Group has early adopted the amendments in the consolidated financial statements. The amendments have had no impact on the financial position or performance of the Group.

(e) Annual Improvements 2009-2011 Cycle sets out amendments to a number of standards. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments have had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- IAS 1 Presentation of Financial Statements: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the consolidated financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

  In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- IAS 32 Financial Instruments: Presentation: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

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:

IAS 19 Amendments	Amendments to IAS 19 *Employee Benefits – Defined Benefit Plans: Employee Contribution*[2]
IAS 32 Amendments	Amendments to IAS 32 Financial Instruments: *Presentation – Offsetting Financial Assets and Liabilities*[1]
IAS 39 Amendments	Amendments to IAS 39 Financial Instruments: *Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*[1]
IFRS 9	Financial Instruments[3]
IFRS 10, IFRS 12 and IAS 27 (2011) Amendments	Amendments to IFRS 10, IFRS 12 and IAS 27 (2011) – *Investment Entities*[1]
IFRS 9, IFRS 7 and IAS 39 Amendments	Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39[3]
IFRIC 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 No mandatory effective date yet determined but is available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that the adoption of these new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five (2012: five (restated)) 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 – the 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 assets exclude corporate assets as these assets are managed on a group basis.

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

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	2,320	9,204
Reconciliation:						
Interest income						248
Other income						372
Fair value gains on investment properties	–	–	–	–	1,000	1,000
Corporate and unallocated expenses						(1,017)
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	20,853	526	–	6,353	–	27,732
Unallocated liabilities						13,400
Total liabilities						41,132
Capital expenditure*	420	22	-	-	-	442
Depreciation and amortisation	2,465	175	-	-	-	2,640
Unallocated depreciation and amortisation	–	–	–	–	–	26
Total depreciation and amortisation	2,465	175	–	–	–	2,666

For the year ended 31 December 2012

	Fire fighting equipment *RMB'000* (Restated)	Inspection services *RMB'000* (Restated)	Grooved couplings *RMB'000* (Restated)	Trading *RMB'000* (Restated)	Property investment *RMB'000* (Restated)	Total *RMB'000* (Restated)
Segment revenue:						
Sales/services provided to external customers	85,626	7,955	947	5,956	–	100,484
Gross rental income	–				2,202	2,202
	85,626	7,955	947	5,956	2,202	102,686
Segments results	1,683	3,036	86	(54)	2,092	6,843
Reconciliation:						
Interest income						64
Other income						150
Fair value gains on investment properties	–	–	–	–	1,220	1,220
Corporate and unallocated expenses						(1,269)
Profit before tax						7,008
Segment assets	74,010	5,784	–	9,802	23,370	112,966
Unallocated assets						273
Total assets						113,239
Segment liabilities	20,560	679	–	1,734	–	22,973
Unallocated liabilities						19,563
Total liabilities						42,536
Capital expenditure*	615	34	–	–	–	649
Unallocated capital expenditure*	–	–	–	–	–	276
Total Capital expenditure	615	34	–	–	–	925
Depreciation and amortisation	2,483	197	–	11	–	2,691
Unallocated depreciation and amortisation	–	–	–	–	–	30
Total depreciation and amortisation	2,483	197	–	11	–	2,721

* *Capital expenditure consists of additions to property, plant and equipment.*

Geographical information

(a) Revenue from external customers

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
PRC	**102,838**	90,146
United States of America	**2,144**	2,772
European Union	**8,429**	7,371
Other countries	**–**	195
	113,411	100,484

The revenue information above is based on the location of the customers.

(b) Non-current assets

Non-current assets are principally located in the PRC.

Information about major customers

Revenue from transactions with a single external customer of approximately RMB11,486,000, which represented more than 10% of the Group's revenue, was derived from trading of products segment (2012: Nil). This customer is an independent third party.

5. 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:

	2013 ***RMB'000***	2012 *RMB'000* (Restated)
Revenue		
Sales of pressure vessels	**85,058**	81,391
Inspection services rendered	**7,954**	10,191
Trading of iron casted grooved couplings	**10,006**	7,955
Trading of sanitary-ware and other products	**10,393**	947
Total revenue	**113,411**	100,484
Other income and gains		
Interest income	**248**	64
Gross rental income	**2,442**	2,202
Sales of scraps	**384**	759
Fair value gains on investment properties	**1,000**	1,220
Gain on disposal of items of property, plant and equipment	**116**	107
Recovery of bad debts	**–**	148
Others	**330**	262
Total other income and gains	**4,520**	4,762
Total revenue, other income and gains	**117,931**	105,246

6. PROFIT BEFORE TAX

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

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Cost of inventories sold *	**87,008**	76,646
Cost of services provided ^	**3,016**	3,915
	90,024	80,561
Amortisation of prepaid land lease payments	**3**	3
Depreciation of property, plant and equipment	**2,666**	2,718
Exchange losses, net	**14**	100
Minimum lease payments under operating leases:		
Plant and machinery	**–**	29
Land and buildings	**619**	581
Auditors' remuneration	**346**	322
Write off of items of property, plant and equipment	**10**	1
Impairment of trade and bills receivables	**400**	–
Staff costs (including directors' and supervisors' remuneration):		
Wages and salaries	**14,248**	15,303
Pension scheme contributions	**2,580**	2,536
	16,828	17,839
Gain on disposal of items of property, plant and equipment	**(116)**	(107)
Rental income on investment properties less direct operating expenses of RMB122,000 (2012: RMB110,000)	**(2,320)**	(2,092)
Recovery of bad debts	**–**	(148)
Fair value gains on investment properties	**(1,000)**	(1,220)
Interest income	**(248)**	(64)

* *The cost of inventories sold includes depreciation charges and salaries of approximately RMB2,246,000 and RMB8,625,000 (2012: RMB2,297,000 and RMB9,844,000), respectively, which are also included in the respective total amounts disclosed separately above.*

^ *The cost of services provided includes salaries of approximately RMB655,000 (2012: RMB822,000), which is also included in staff costs disclosed above.*

7. 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 (2012: Nil). Under the Corporate Income Tax Law, the corporate income tax ("CIT") rate is calculated at a rate of 25% on the Group's estimated assessable profits for the years ended 31 December 2013 and 2012.

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Current – the PRC:		
Charge for the year	**1,380**	470
Underprovision/(overprovision) of CIT in prior years	**88**	(7)
Deferred	**250**	305
Total tax charge for the year	**1,718**	768

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 will expire 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 Group 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:

	2013		2012	
	RMB'000	*%*	*RMB'000*	*%*
			(Restated)	
Profit before tax	**9,807**		7,008	
Tax at statutory tax rate	**2,452**	**25**	1,752	25
Tax effect of non-deductible expenses	**261**	**3**	877	12
Tax effect of non-taxable income	**(1,008)**	**(10)**	(1,291)	(18)
Tax effect on temporary differences not recognised	**148**	**1**	(81)	(1)
Tax effect of tax losses utilised	**(223)**	**(2)**	(482)	(7)
Underprovision/(overprovision) of expenses in the prior years	**88**	**1**	(7)	–
Tax charge at the Group's effective tax rate	**1,718**	**18**	768	11

8. 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 RMB7,839,000 (2012: RMB5,804,000 (as restated)) and on the number of ordinary shares of 187,430,000 (2012: 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 2013 and 2012 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

9. TRADE AND BILLS RECEIVABLES

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Trade receivables	**18,888**	21,577
Less: Impairment	**(909)**	(509)
	17,979	21,068
Bills receivables	**907**	850
	18,886	21,918

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 three months 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:

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Within 1 month	**6,139**	8,822
1 to 2 months	**3,681**	5,024
2 to 3 months	**1,570**	1,652
Over 3 months	**7,496**	6,420
	18,886	21,918

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:

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Within 1 month	**4,886**	2,347
1 to 2 months	**1,207**	1,456
2 to 3 months	**1,454**	1,926
Over 3 months	**4,855**	4,947
	12,402	10,676

11. 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 Shanghai Anchor Pressure Vessel (Group) Co., Limited ("Anchor", and collectively with its subsidiaries, the "Anchor Group"), 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 RMB 6 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 the equity interests in Anchor.

As mentioned in note 2 to the financial information, in the opinion of the directors, the Acquisition was 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 as if the Acquisition would had been taken place 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.

The reconciliation of the effect arising from the common control combination on the consolidated statement of profit or loss for the year ended 31 December 2013 is as follows:

	Qingpu Group*	**Anchor Group**	**Adjustments#**	**Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	49,593	63,882	(64)	113,411
Cost of sales	(36,419)	(53,669)	64	(90,024)
Gross profit	13,174	10,213	–	23,387
Other income and gains	3,781	1,225	(486)	4,520
Selling and distribution costs	(903)	(2,457)	486	(2,874)
Administrative expenses	(6,532)	(8,694)	–	(15,226)
Profit before tax	9,520	287	–	9,807
Income tax	(1,308)	(410)	–	(1,718)
Profit for the year	8,212	(123)	–	8,089
Attributable to:				
Owners of the Company	7,858	(19)	–	7,839
Non-controlling interests	354	(104)	–	250
	8,212	(123)	–	8,089

* *The Company and Liming are referred as the "Qingpu Group" for the disclosure purpose in this note.*

\# *The adjustments represent the intra-group transactions between the Qingpu Group and the Anchor Group eliminated on consolidation under the merger accounting.*

The reconciliation of the effect arising from the common control combination on the consolidated statement of profit or loss for the year ended 31 December 2012 and the consolidated statement of financial position as at 31 December 2012 is as follows:

Consolidated statement of profit or loss
For the year ended 31 December 2012

	Qingpu Group* (as previously reported) *RMB'000*	Anchor Group *RMB'000*	Adjustments# *RMB'000*	Group (as restated) *RMB'000*
Revenue	35,735	65,319	(570)	100,484
Cost of sales	(26,708)	(54,423)	570	(80,561)
Gross profit	9,027	10,896	–	19,923
Other income and gains	4,337	772	(347)	4,762
Selling and distribution costs	(842)	(2,324)	347	(2,819)
Administrative expenses	(6,222)	(8,636)	–	(14,858)
Profit before tax	6,300	708	–	7,008
Income tax	(514)	(254)	–	(768)
Profit for the year	5,786	454	–	6,240
Attributable to:				
Owners of the Company	5,502	305	(3)	5,804
Non-controlling interests	284	149	3	436
	5,786	454	–	6,240

* *The Company and Liming are referred as the "Qingpu Group" for the purpose of disclosure in this note.*

\# *The adjustments represent the intra-group transactions between the Qingpu Group and the Anchor Group eliminated on consolidation under the merger accounting.*

Consolidated statement of financial position
As at 31 December 2012

	Qingpu Group* (as previously reported) *RMB'000*	Anchor Group *RMB'000*	Adjustments# *RMB'000*	Group (as restated) *RMB'000*
Assets and liabilities				
Property, plant and equipment	9,547	7,015	–	16,562
Investment properties	23,370	–	–	23,370
Prepaid land lease payments	125	–	–	125
Inventories	7,024	14,185	–	21,209
Trade and bills receivables	8,771	13,147	–	21,918
Prepayments, deposits and other receivables	2,430	4,698	–	7,128
Due from fellow subsidiaries	1,915	–	(1,071)	844
Due from non-controlling interest	–	250	–	250
Cash and cash equivalents	12,726	9,107	–	21,833
Trade payables	(3,615)	(7,061)	–	(10,676)
Other payables and accruals	(4,526)	(5,911)	–	(10,437)
Due to fellow subsidiaries	–	(1,071)	1,071	–
Due to from immediate holding company	(1,800)	(7,456)	(6,000)	(15,256)
Due to non-controlling interest	–	(1,860)	–	(1,860)
Tax payables	(69)	(118)	–	(187)
Deferred tax liabilities	(4,120)	–	–	(4,120)
Net assets	51,778	24,925	(6,000)	70,703
Equity				
Equity attributable to owners of the Company				
Issued capital	18,743	70,000	(70,000)	18,743
Reserves	32,483	(43,930)	63,751	52,304
	51,226	26,070	(6,249)	71,047
Non-controlling interests	552	(1,145)	249	(344)
Total equity	51,778	24,925	(6,000)	70,703

* *The Company and Liming are referred as the "Qingpu Group" for the purpose of disclosure in this note.*

The adjustments represent the intra-group transactions between the Qingpu Group and the Anchor Group eliminated on consolidation under the merger accounting.

The reconciliation of the effect arising from the common control combination on the consolidated statement of financial position as at 1 January 2012 is as follows:

Consolidated statement of financial position
As at 1 January 2012

	Qingpu Group* (as previously reported) *RMB'000*	Anchor Group *RMB'000*	Adjustments# *RMB'000*	Group (as restated) *RMB'000*
Assets and liabilities				
Property, plant and equipment	11,210	7,151	–	18,361
Investment properties	22,150	–	–	22,150
Prepaid land lease payments	128	–	–	128
Inventories	6,065	13,630	–	19,695
Trade and bills receivables	8,879	12,053	–	20,932
Prepayments, deposits and other receivables	2,833	2,759	–	5,592
Due from fellow subsidiaries	1,453	–	(1,185)	268
Due from non-controlling interest	–	250	–	250
Cash and cash equivalents	6,756	9,486	–	16,242
Trade payables	(4,517)	(7,900)	–	(12,417)
Other payables and accruals	(4,179)	(7,902)	–	(12,081)
Due to fellow subsidiaries	–	(1,185)	1,185	–
Due to from immediate holding company	(1,800)	(1,480)	(6,000)	(9,280)
Due to non-controlling interest	–	(2,053)	–	(2,053)
Tax payables	(49)	(216)	–	(265)
Deferred tax liabilities	(3,815)	–	–	(3,815)
Net assets	45,114	24,593	(6,000)	63,707
Equity				
Equity attributable to owners of the Company				
Issued capital	18,743	70,000	(70,000)	18,743
Reserves	25,974	(44,226)	63,754	45,502
	44,717	25,774	(6,246)	64,245
Non-controlling interests	397	(1,181)	246	(538)
Total equity	45,114	24,593	(6,000)	63,707

* *The Company and Liming are referred as the "Qingpu Group" for the purpose of disclosure in this note.*

\# *The adjustments represent the intra-group transactions between the Qingpu Group and the Anchor Group eliminated on consolidation under the merger accounting.*

DIVIDEND

The Board does not recommend the payment of any dividends for the year ended 31 December 2013 (2012: Nil).

COMMITMENTS

(1) Operating lease arrangements

(a) As lessor

The Group leases its investment 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 2013, the Group had total future minimum lease receivable under non-cancellable operating leases with its tenant falling due as follows:

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Within one year	**2,509**	1,888
In the second to fifth years, inclusive	**2,773**	4,504
	5,282	6,392

(b) As lessee

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

At 31 December 2013, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2013	2012
	RMB'000	*RMB'000*
Within one year	**767**	605
In the second to fifth years, inclusive	**2,827**	3,142
After five years	**1,383**	1,686
	4,977	5,433

(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.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group

For the year ended 31 December 2013, the Group recorded a turnover of approximately RMB113,411,000 (year ended 31 December 2012 (restated): RMB100,484,000), representing a increase of approximately 13% over the corresponding period of last year.

The Qingpu Group

For the year ended 31 December 2013, the turnover increased from approximately RMB35,735,000 to RMB49,593,000, representing an increase of approximately 39% over the corresponding period of last year. The increase is a result of the efforts of the sales department of the Company including the commencement of the sale of iron casted grooved coupling started from the second half of 2012.

The Anchor Group

For the year ended 31 December 2013, the turnover decreased from approximately RMB65,319,000 to RMB63,882,000, representing a decrease of approximately 2% over the corresponding period of last year. This is due to some unsuccessfully tender projects.

Gross Profits

The Group

For the year ended 31 December 2013, the Group recorded overall gross profit of approximately RMB23,387,000 (year ended 31 December 2012 (restated): RMB19,923,000), representing an increase of approximately 17% over the corresponding period of last year.

The Qingpu Group

For the year ended 31 December 2013, the gross profit increased from approximately RMB9,027,000 to RMB13,174,000. The gross margin increased by 2 percentage points to 27% from 25% of corresponding period of last year. Such increase was primarily attributable to the Group's improvement in control of sales cost, as well as the sales of new products/services with a higher margin. The fire technology inspection services provided a high gross margin.

The Anchor Group

For the year ended 31 December 2013, the gross profit decreased from approximately RMB10,896,000 to RMB10,213,000. The gross margin decreased by 1 percentage points to 16% from 17% of corresponding period of last year. This is due to a lower gross margin in trading of products in this period.

Other Income and Gains

The Group

Other income and gains for the year ended 31 December 2013 decreased by approximately RMB242,000 from RMB4,762,000 (restated) for the year ended 31 December 2012 to approximately RMB4,520,000.

The Qingpu Group

For the year ended 31 December 2013, other income and gains decreased from approximately RMB4,337,000 to RMB3,781,000, representing a decrease of approximately 13% over the corresponding period of last year. This is mainly due to a decrease in sales of scraps.

The Anchor Group

For the year ended 31 December 2013 and 2012, other income and gains are approximately RMB1,225,000 and RMB772,000, respectively.

Selling and Distribution Costs

The Group

For the year ended 31 December 2013, the Group's selling and distribution costs increased to approximately RMB2,874,000 from RMB2,819,000 (restated), representing an increase of 2% over the corresponding period of last year.

The Qingpu Group

For the year ended 31 December 2013, the selling and distribution cost increased from approximately RMB842,000 to RMB903,000, representing a increase of 7% due to the increase in turnover.

The Anchor Group

For the year ended 31 December 2013, the selling and distribution cost increased from approximately RMB2,324,000 to RMB2,457,000, representing an increase of 6%. This is due to an increase in transportation expenses.

Administrative Expenses

The Group

For the year ended 31 December 2013, the Group's administrative expenses amounted to approximately RMB15,226,000 (year ended 31 December 2012 (restated): approximately RMB14,858,000).

The Qingpu Group

For the year ended 31 December 2013, the administrative expenses increased from approximately RMB6,222,000 to RMB6,532,000, representing an increase of 5%. This is mainly due to the increase in internal and external training courses provided to staff.

The Anchor Group

For the year ended 31 December 2013 and 2012, administrative expenses are approximately RMB8,694,000 and RMB8,636,000, respectively.

Finance Costs

No finance costs were recorded for the year ended 31 December 2013 and 2012.

Profit for the Year

For the year ended 31 December 2013, the Group recorded profit for the year of approximately RMB8,089,000 (year ended 31 December 2012 (restated): RMB6,240,000), representing an increase of approximately 30%, which was primary attributable to the increase in sales of iron casted grooved coupling which was commenced in the second half of 2012.

Income Tax

Pursuant to the relevant PRC tax regulations, the normal Enterprise Income Tax ("EIT") rate is 25%.

The EIT is calculated on the estimated assessable profits at 25% for the year ended 31 December 2013 after offsetting against tax losses brought forward from previous years (year ended 31 December 2012: 25%).

Non-controlling Interests

For the year ended 31 December 2013 and 2012, profit for the period attributable to non-controlling interests are approximately RMB250,000 and RMB436,000 (restated), respectively.

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. The high quality of the Company's products will enhance the competitiveness in the market. Shanghai Anchor Pressure Vessel (Group) Co., Ltd. (上海鐵錨壓力容器(集團)有限公司) and its subsidiaries ("Anchor Group") possesses the Manufacture Licence of Special Equipment (特種設備製造許可證) for high-pressure vessels, seamless gas cylinders, welded gas cylinders, special gas cylinders, Category I pressure vessels, and Category II low and medium pressure vessels. Such licence is issued by the General Administration of Quality Supervision, Inspection and Quarantine (國家質量監督檢驗檢疫總局). Anchor Group also holds the Manufacture Enterprise Licence of Medical Equipment (醫療器械生產企業許可證) for the manufacture of Category II gas equipment for medical use. Such licence is issued by Shanghai Food and Drug Administration (上海市食品藥品監督管理局) and will expire on 30 January 2016. Because of tightened regulatory procedures, production of dry powder fire extinguisher in Shanghai Qingpu Fire Fighting Equipment Company Limited has been stopped on 16 March 2014 pending the renewal of manufacturing licenses. The directors are confident that there is no major obstacle in completing the renewal procedures and consider that there will not be a material impact on sales and production of the Group. For the year ended 31 December 2013, revenue of dry powder extinguishers is approximately 7% of the Group's total revenue.

With the pressure vessel products of Anchor Group, such as boiler tubes, pressure cylinders for military use, medical use, and LPG or CNG cylinders for motor vehicles, the Company will be able to expand its product range and diversify its pressure vessel business. Anchor Group also possesses some product permits, such as the Manufacture Enterprise Licence of Medical Equipment (醫療器械生產企業許可證) for the manufacture of Category II gas equipment for medical use, which will enable the Company to enter into the new market.

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 in China in 2014, 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") will be stopped as part of overhead expenses reduction plan. For the year ended 31 December 2013, revenue in Jiangshan Branch is 0.6% of the Group. The cessation of the Jiangshan Branch production will not have a material impact on the business and operation of the Group.

The Group is also actively seeking for opportunity to consolidate production procedures and plants in order to further reduce overhead expenses and maximize production efficiency.

EMPLOYEES

As at 31 December 2013, the Group had 318 employees (2012(restated): 419 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

Other than the acquisition under common control as set out in note 11, the Group did not have any material acquisition during the year ended 31 December 2013.

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 2013 comprises of Yang Chun Bao and Zhang Cheng Ying, 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's audited final results for the year ended 31 December 2013.

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 2013 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 subsidiary did not purchase, redeem or sell any of the Company's listed securities during the year.

AUDITORS

There has 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, 24 March 2014

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.