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

ANNUAL REPORT 2012

* For identification purposes only

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CONTENTS

	Pages
Corporate Information	3
Chairman's Statement	4-5
Management Discussion and Analysis	6-10
Profiles of Directors, Supervisors and Senior Management	11-15
Corporate Governance Report	16-19
Directors' Report	20-26
Independent Auditors' Report	27-28
Consolidated Income Statement	29
Consolidated Statement of Comprehensive Income	30
Consolidated Statement of Financial Position	31-32
Consolidated Statement of Changes in Equity	33
Consolidated Statement of Cash Flows	34-35
Statement of Financial Position	36
Notes to the Consolidated Financial Statements	37-95
Five Year Financial Summary	96

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zhou Jin Hui
Mr. Gong Xu Lin
Mr. Shen Jian Zhong

Non-Executive Directors

Ms. Chai Xiao Fang
Ms. Wang Xiang

Independent Non-Executive Directors

Mr. Wang Guo Zhong
Mr. Yang Chun Bao
Mr. Zhang Cheng Ying

AUDIT COMMITTEE

Ms. Chai Xiao Fang
Mr. Yang Chun Bao
Mr. Zhang Cheng Ying

AUTHORISED REPRESENTATIVE

Mr. Wong Kwan Pui
Mr. Gong Xu Lin

COMPANY SECRETARY

Mr. Wong Kwan Pui

AUDITORS

Ascenda Cachet CPA Limited

PRINCIPAL BANKERS

China Construction Bank Huaxin Sub-branch
Shanghai Rural Commercial Bank Co., Ltd
Chonggu branch

H SHARE SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

REGISTERED OFFICE

1988 Jihe Road
Hua Xin Town
Qingpu District, Shanghai
People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2605, Island Place Tower
510 King's Road
North Point Hong Kong

CHAIRMAN'S STATEMENT

RESULTS FOR THE YEAR

For the year ended 31 December 2012, the Group recorded total revenue of RMB35,735,000 and profit attributable to the shareholders of RMB5,502,000. The Group's revenue was derived principally from its sale of fire extinguishers, and fire extinguisher cylinders in the PRC (excluding Hong Kong) and pressure cylinders to overseas.

SALES

The Group's revenue decreased by RMB2,771,000 from RMB38,506,000 in 2011 to RMB35,735,000 in 2012.

OUTLOOK

According to the 2012 – 2016 Market Research Report on the China Fire Extinguisher Industry (2012 – 2016 年中國滅火器行業市場研究報告) issued by Beijing Boyan Zhishang Information Consultancy Co., Ltd. (北京博研智尚信息諮詢有限公司) in 2012, the outlook of the fire extinguishers industry in China remains optimistic as a result of the continued development in infrastructure, urbanisation and the real estate market. Major infrastructure projects include transportation, high-speed rails and roads, energy and hydro power stations. With a total population of 1.3 billion in China, there is about 450 million urban population and 120 million urban households, assuming 3.7 persons per household on average. The urbanisation rate will continue to grow and this leads to increase in demand for real estates.

For the three months ended 31 March 2012, the total production volume of fire extinguishers in China was 18.05 million units, representing an increase of 10.9% over the corresponding period of 2011. It is forecast that the total production volume of fire extinguishers in China will reach 102.55 million units in 2016, representing a compound annual growth rate of approximately 11.0% during the period from 2005 to 2016.

The fire-fighting equipment industry in the PRC is mainly subject to the PRC Fire Protection Law (2008 revised) (中華人民共和國消防法(2008修訂)). According to the PRC Fire Protection Law (2008 revised) (中華人民共和國消防法(2008修訂)), the fire-fighting products must meet the national standards and if no such national standards, industry standards. The categories of fire-fighting products, which are subject to compulsory certification, are prepared and published jointly by the Ministry of Public Security and the General Administration of Quality Supervision, Inspection and Quarantine. Only those certificated fire-fighting products can be manufactured, sold or used in the PRC.

The Company endeavours to develop products of different models and expand customer resources, as well as proactively seek opportunities for its fire-safely testing business in order to increase the market share of fire safety and fire fighting systems.

CHAIRMAN'S STATEMENT

FUTURE PLAN

The Company plans to recruit industry and management professional talents to cement internal management, integrate production lines, strengthen operating efficiency and lower production costs. The Company will develop various business channels to improve the Company's performance, focusing on the development of domestic operating networks and export agents. The Company will also expand customer resources and step up the research and development of new products to expand production, thereby sharpening its competitive edge and utilization of facilities. On 7 November 2012, the Company entered into a sale and purchase Agreement with Shanghai Anchor Pressure Vessel (Group) Co., Ltd ("Anchor") and Shanghai Pressure Special Gas Cylinder Co., Ltd ("Special Cylinder") (collectively "Vendors") pursuant to which, subject to the terms and conditions thereunder, the Company have conditionally agreed to acquire, and the Vendors have conditionally agreed to sell the entire equity interest in Anchor excluding the right to claim, interests and benefits arisen and derived from the property and buildings constructed thereon; all of which are situated at No.18 Lane 575, JuJiaQiao Road, Pudong New Area, Shanghai (including the land use right of 16762m^2 and 13 buildings of a total construction area of 8833.78m^2 situated thereon) for a total consideration of RMB6 million. The acquisition of Anchor after completion will help the Company to expand, diversify and develop new markets for its pressure vessel business as Anchor manufactures pressure vessels, such as gas cylinders for medical equipment, military use, liquefied petroleum gas (LPG) and compressed natural gas (CNG) cylinders for motor vehicles, which the Company does not manufacture at present. In addition, Shanghai J.S.X. International Trading Corporation ("JSX Trading"), a subsidiary of Anchor, the agent of the Company and was mainly engaged in international export and import business. After the acquisition of Anchor completed, the Company will utilise JSX Trading to further develop the overseas market for its products.

LONG TERM STRATEGY

We believe that the Company, with our experienced management team, firm and clear development directions, the manufacturing of quality products and the provision of quality services, will be able to sharpen our competitive edge. The Company will continue to develop new market and also prudently consider acquiring relevant enterprises which possess sound profitability by way of capital increment in accordance with the relevant laws and regulations in order to accelerate the growth of our profitability so that the Company will become a major enterprise in the manufacturing and sale of fire-fighting equipment and relevant business in the PRC and overseas.

OUR PEOPLE

The Group will further optimize its staff structure. The Board would like to express its gratitude to the employees of the Company for their invaluable contribution to the business of the Group.

DIRECTORS

My thanks go to the Directors of the Company for their professional work. The Board will endeavour to work professionally and painstakingly for achieving prosperous performance of the Group in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Total revenue of the Group decreased from RMB38,506,000 in the year 2011 to RMB35,735,000 in the year 2012, representing a decrease of 7%. The decrease was mainly attributable to the suspension of the Company's Certificates for Product Type Approval issued by the China Certification Centre for Fire Products of the Ministry of Public Security of the PRC ("CCCF") for the Company's water spray fire extinguishers and carbon dioxide fire extinguishers for the period form March to July 2012 and those for the Company's dry powder fire extinguishers had been suspended during the period from March 2012 to February 2013.

The Certificates for Product Type Approval issued by CCCF for the Company's water spray fire extinguishers and carbon dioxide fire extinguishers had been suspended during the period from March 2012 to July 2012 and those for the Company's dry powder fire extinguishers had been suspended during the period from March 2012 to February 2013. The manufacturing facilities of the Company's fire extinguishers were relocated from 777 Chonggu Town Main Street, Qingpu to 1988 Jihe Road, Huaxin Town, Qingpu in 2011. The Certificates for Product Type Approval of the Company's water spray, carbon dioxide and dry powder fire extinguishers were suspended by the CCCF in March 2012 as the inspection process of the relocated production conditions of the Company had not been completed at that time. As mentioned above, all of the Company's suspended Certificates for Product Type Approval were subsequently resumed by the CCCF and the Company's manufacture of fire extinguishers for non-marine use could resume to normal conditions.

The Group's total sales decreased by approximately 7.3% from approximately RMB38.5 million for the year ended 31 December 2011 to approximately RMB35.7 million for the year of 2012. The decrease was mainly attributable to (i) the RMB6 million decrease in sales of fire extinguishers; (ii) the RMB1.8 million decrease in sales of pressure vessels; which was partly offset by (iii) the RMB4.1 million increase in revenue from the provision of fire consulting and testing services; and (iv) the RMB0.9 million sales of the new product, grooved couplings.

Sales of fire extinguishers decreased by approximately 35.5% from RMB17.1 million for 2011 to RMB11 million for 2012 as a result of the suspension of the Company's Certificates for Product Type Approval by the CCCF for its water spray fire extinguishers and carbon dioxide fire extinguishers for the period from March to July 2012 and dry powder fire extinguishers for the period from March 2012 to February 2013. Sales of pressure vessels for 2012 decreased as the operation of one of the Company's major customers was interrupted by a litigation and demand from overseas markets decreased. Revenue from the fire consulting and testing services increased by approximately 108% from RMB3.8 million for 2011 to RMB7.9 million for 2012. Liming was acquired in May 2011 and its results were recorded on a full-year basis in 2012.

COST OF SALES

For the year ended 31 December 2012, the cost of sales of the Group amounted to approximately RMB26,708,000 (2011: RMB28,728,000), representing a year-on-year decrease of 7%. The main components of cost of sales for the Group include raw materials, especially steel and aluminium, and labour cost.

MANAGEMENT DISCUSSION AND ANALYSIS

GROSS PROFIT

For the year ended 31 December 2012, the gross profit of the Group amounted to approximately RMB9,027,000. Gross profit margin for the year ended 31 December 2012 is stable at 25% when compared with approximately 25% for the year ended 31 December 2011. The fire consulting and testing services provided a high gross margin and led to an overall stable gross profit margin.

OTHER INCOME

For the year ended 31 December 2012, the other income of the Company increased to approximately RMB4,337,000 when compared with approximately RMB1,974,000 for the year ended 31 December 2011. The increase in other income is mainly attributable to an increase in rental income and fair value gains on investment properties.

ADMINISTRATIVE EXPENSES

For the year ended 31 December 2012, administrative expenses for the Group amounted to approximately RMB6,222,000, representing a year-on-year decrease of approximately 20%. The decrease was mainly attributable to the reduction in the number of administrative staff and the cost control on administrative expenses.

FINANCE COSTS

The Company recorded no finance cost for the year ended 31 December 2012 (2011: Nil).

PROFIT FOR THE YEAR

For the year ended 31 December 2012, the profit for the year of the Group amounted to approximately RMB5,786,000 (2011: RMB14,900,000), representing a year-on-year decrease of 61%. The decrease in profit was mainly attributable to the non-recurring reversal of impairment loss on loans receivable from former controlling shareholder in 2011.

TAXATION

Pursuant to the Income Tax Law of the PRC, The Company is liable to corporate income tax at a rate of 25% on its assessable profits.

Provision has been made for PRC corporate income tax for the year and the current year's assessable profits in the PRC has been partially offset tax losses brought forward from previous year.

The Company did not provide for deferred tax on tax losses due to the uncertainty in the profitability of the Company in the foreseeable future.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

The Company's "Pujiang" ("浦江") brand name was awarded as Shanghai Famous Trademark (上海市著名商標) by Shanghai General Administration for Industry and Commerce (上海市工商行政管理局) for the period from 2006 to 2011. In December 2011, the Company's "Pujiang" branded fire extinguishers were awarded as the China Famous Brand (中國著名品牌) and the National Trustworthy Quality Products (全國質量信得過產品) by the China Brand Quality Management Evaluation Centre (中國品牌質量管理評價中心) and the Small and Medium Enterprises Famous Brand Development Committee for China (中國中小企業名牌培育工作委員會) for a valid period of three years. An established brand name will assist the Company in promoting the sales of its products in Shanghai, Zhejiang, Jiangsu, and Guangdong. The Company will continue to engage in advertising and marketing activities to promote the brand name of "Pujiang".

The Company's fire extinguisher products cover three categories, carbon dioxide, water-based, and dry powder, with 31 specifications in total. 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.

FUTURE PLAN

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 fire extinguishers and aluminum pressure cylinders and production of lower-margin steel pressure cylinders will be reduced to raise the overall profit margin of the Company.

The Company entered into a sales framework agreement with independent third parties Jiangshan Yinjian Fire Prevention Complete Set of Equipment Co., Ltd. (江山市銀劍消防成套設備有限公司) ("Yinjian") and Shanghai Lianmin Fire-Fighting Equipment Co., Ltd. (上海聯閔消防設備有限公司) ("Lianmin") in November 2012 (the "Framework Agreement"). The term of the Framework Agreement commenced from the date of signing to 31 December 2015. According to the Framework Agreement, Yinjian commissioned the Company to design and develop iron casted grooved couplings for fire protection pipes (消防管道鑄鐵溝槽件) and the Company shall be the exclusive supplier of those grooved couplings to Yinjian and Lianmin. The Company can sell the grooved couplings to other third parties in addition to Yinjian and Lianmin.

The Company has extended processing agreement with Shanghai Hurong Fire Equipment Co., Ltd. (上海市滬榮消防器材有限公司) ("Hurong") and sales orders of aluminum alloy cylinders with Shanghai Congfa Industrial Co., Ltd. (上海叢發實業有限公司) ("Congfa") until February 2016 and December 2013 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company will focus more resources on the regions with high demand for its products in the PRC, such as Shanghai, Zhejiang, Jiangsu, and Guangdong.

LIQUIDITY AND FINANCE

The cash and cash equivalents of the Group increased from approximately RMB6,756,000 as at 31 December 2011 to RMB12,726,000 as at 31 December 2012.

Foreign exchange exposure

The Group's exposure to foreign exchange risks is minimal as most of the Group's assets and liabilities, revenue and expenditure are denominated in Renminbi.

Borrowings and banking facilities

As at 31 December 2012, the Group had no borrowings.

Charges on group assets

As at 31 December 2012, none of the Group's assets was pledged to secure any facilities or borrowings granted to the Group.

Gearing ratio

The Group's gearing ratio is calculated at net debt divided by the total capital plus net debt. Net debt includes trade payables, other payables and accruals and amount due to immediate holding company, less cash and cash equivalents. The Group did not have gearing as at 31 December 2012 (2011: 8%).

Capital structure and financial resources

As at 31 December 2012, the Group had net asset value of approximately RMB51,778,000 (2011: RMB45,114,000). The Group's operations and investments are financed principally by internal resources and shareholders' equity.

There has been no changes in the share capital structure of the Company during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITION

On 7 November 2012, the Company and its subsidiary, Shanghai Liming Fire Testing Co., Limited ("Liming"), entered into a sale and purchase agreement ("Agreement") (and an Excluded Interest agreement with the Vendors, Shanghai Anchor Pressure Vessel (Group) Co., Limited ("Anchor") and Shanghai Pressure Special Gas Cylinder Co., Limited ("Special Cylinder"), a subsidiary of Anchor, as part of the transaction under the Agreement) with Liancheng Fire-Fighting Group Company Limited, a controlling shareholder of the Company, and Mr. Wang Sheng (the "Mr. Wang"), an independent third party (collectively, the "Vendors"), pursuant to which, the Company and Liming shall acquire from the Vendors the entire issued share capital of Anchor and its subsidiaries, except for the land and building situated at No. 18, Lane 575, Jujiaqiao Road, Pudong New Area, Shanghai (the "Excluded Interest") held by Special Cylinder, at a consideration of RMB6 million (the "Acquisition"). The consideration shall be settled by cash upon 12 months after the completion of the registration procedure for the change of Anchor's shareholders in connection with the Acquisition.

The Acquisition has not yet been completed as at the date of this report.

EMPLOYEES

As at 31 December 2012, the Group had 161 employees (2011: 164 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.

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr Zhou Jin Hui (周金輝), aged 42, has been an executive Director since July 2009. He is the chairman of the Company and a director of Liancheng HK, Liancheng, and Hengtai Real Estate. Mr Zhou started management of business in 1996 when he co-founded Jiangshan Construction Decoration Engineering Ltd.* (江山市建築裝飾配套工程有限公司). He was a founder of Jiangshan Hengtai Real Estate Co. Ltd.* (江山市恒泰房地產有限公司) in 1998 which was converted into Hengtai Real Estate in 2003. Mr Zhou completed the business administration programme in the International Business University of Beijing* (北京國際商務學院) in 1998 and the training programme for senior manager in Tsinghua University* (清華大學) in 2005. In addition, he was conferred the degree of Master of Business Administration from the University of Management and Technology, Commonwealth of Virginia, the United States of America in 2007.

Mr Shen Jian Zhong (沈建忠), aged 47, has been an executive Director since April 2011. In April 2011, he joined the Company as the general manager. He has more than 26 years of experience in the relevant industry as explained below. He had worked in Shanghai Sanhe Hydro Power Equipment Co., Ltd.* (上海三和水利電力設備有限公司) from July 1985 to November 1998 in various positions, including worker, supervisor, and deputy general manager. In November 1998, he joined the Company and worked as deputy general manager and general manager till August 2006. He then worked in Shanghai High Pressure as deputy general manager from August 2006 to January 2007, Shanghai Shenwei Medical Use Gas Co., Ltd.* (上海申威醫用氣體有限公司) as project director from February 2007 to December 2009, and Shanghai Pujiang Special Gas Co., Ltd.* (上海浦江特種氣體有限公司) as deputy general manager from January 2010 to December 2010. Mr Shen graduated from Shanghai Agricultural Machinery Industrial Bureau Machinery Manufacture School* (上海市農業機械工業局機械製造學校) in 1985.

Mr Gong Xu Lin (龔需林), aged 38, has been an executive Director since April 2011. He was appointed as a non-executive Director in August 2009. He has been the manager of the legal department of Liancheng since March 2007. Mr Gong has over 19 years of experience in managing legal affairs. Mr Gong worked in Zhejiang Wancheng Law Office* (浙江萬盛律師事務所) from October 2000 to March 2007 and was an executive (職務科員) of the Bureau of Justice in Jiangshan City* (江山市司法局) from August 1993 to October 2000. Mr Gong graduated from Zhejiang Law School* (浙江法律學校) and completed the law course jointly organised by China Central Radio & TV University* (中央廣播電視大學) and the China University of Political Science and Law* (中國政法大學) in 2004.

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTORS

Ms Chai Xiao Fang (柴曉芳), aged 49, has been a non-executive Director since July 2009. She has more than 17 years of experience in finance and management. She has also been the deputy general manager of Hengtai Real Estate since June 2003. Prior to joining Hengtai Real Estate in June 2003, she worked in the Jiangshan branch of China Construction Bank as relationship manager from December 1994 to May 2003. Ms Chai completed the accountancy programme in Zhejiang Province Zhonghua Accountancy Distant Learning College* (浙江省中華會計函授學院) and the economic and management programme in Hangzhou University* (杭州大學) in 1996. In addition, she completed the law programme of network education in China University of Geosciences* (中國地質大學) in 2005 and the training programme for financial controller in 2006 and the training programme for senior manager in 2008 both organised by the Professional Managers Training Centre* (職業經理訓練中心) in Tsinghua University* (清華大學).

Ms Wang Xiang (王翔), aged 51, has been an non-executive Director since August 2009. She has over 3 years of experience in finance and accounting. She was the chief accountant and deputy general manager of Shanghai Huasheng during the period from September 2006 to April 2007. Prior to joining Shanghai Huasheng, she was the chief accountant and assistant to the general manager of Shanghai Moshida Enterprise Development Company Limited* (上海魔士達企業發展有限公司) from April 2002 to February 2005. Ms Wang completed the economic management programme in the People's Liberation Army of China Nanjing Political College* (中國人民解放軍南京政治學院) in 2002. Further, she also completed the professional postgraduate programme of management science and engineering from Shanghai University* (上海大學) in 2003. She was conferred the qualification of a certified internal auditor under China Institute of Internal Audit* (中國內部審計協會) in 2007, the qualification of an accountant under the Shanghai Light Industry Bureau Intermediate Accounting Professional Skill Occupational Eligibility Assessment Committee* (上海市輕工業局會計系列中級專業技術職務在職資格評審委員會) in 1992, the qualification of a senior business operator recognised by the Occupational Skill Testing and Instruction Centre of China* (中國商業職業技能鑒定指導中心) and the State Senior Business Operator Assessment Committee* (全國高級經營師評審委員會), and the qualification of a certified public accountant in the PRC as recognised by the Ministry of Finance Certified Public Accountant Examination Committee* (財政部註冊會計師考試委員會) in 1996.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Wang Guo Zhong (王國忠), aged 55, has been an independent non-executive Director since October 2000. He has over 20 years of experience in legal practice. He has been the person in charge (主任) of Shanghai Keenmore Law Office* (上海市金馬律師事務所) since October 1992. Mr Wang graduated from Shanghai Fudan University* (上海復旦大學) with a bachelor's degree in law in April 1983. He was conferred the qualification of professional lawyer by Shanghai Justice Bureau (上海市司法局) in January 2010.

Mr Yang Chun Bao (楊春寶), aged 56, has been an independent non-executive Director since October 2000. He has more than 31 years of experience in finance and accounting. Mr Yang was admitted as a certified public accountant and he joined Shanghai Huashen Certified Public Accountants Ltd.* (上海華申會計師事務所有限公司) in November 1973 and became a deputy supervisor (副主任) in June 2005. In July 2011, he was promoted to be the accountant-in-charge (主任會計師) of the firm. Mr Yang was conferred a degree of Master of Science in Business Administration by Madonna University at Livonia, Michigan, the USA in December 1999..

Mr Zhang Cheng Ying (張承纓), aged 66, has been an independent non-executive Director since August 2009. He is also an independent director of SOYEA Technology Co., Ltd.* (數源科技股份有限公司), a company listed on the Shenzhen Stock Exchange. He has over 26 years of experience in public administration. He was the Secretary for the Zhejiang Province State-owned Assets Supervision and Administration Commission* (浙江省國有資產管理局) from November 1989 to July 1995, and the commissioner and deputy commissioner of the Zhejiang Province Finance Supervisory Commissioner Office of Ministry of Finance* (財政部駐浙江省財政監察專員辦事處) from July 1995 to February 2005. He had worked in the Zhejiang Provincial Civil Air Defence Office* (浙江省人民防空辦公室) during the period from October 1978 to November 1989. Mr Zhang completed the industrial and electrical automation programme (工業電氣自動化) in Zhejiang University* (浙江大學) in 1975.

The Directors at the time of the resumption of trading in the H Shares will remain with the Company's board of directors after the resumption of trading in the H Shares.

SENIOR MANAGEMENT

Mr Mo Qian Meng (毛謙孟), aged 47, has been the deputy general manager of the Company since November 2008. He has more than 14 years of experience in the fire-fighting equipment industry. He worked as the manager of Xinjiang Korla Yinjian Fire-fighting Equipment Co., Ltd.* (新疆庫爾勒銀劍消防設備有限責任公司) during the period from January 1994 to December 2003.

Mr Wan Xi Zhong (宛西中), aged 51, is the chief engineer of the Company. He has more than 27 years of experience in the equipment manufacturing industry. He joined the Company in October 2000 and had worked as the deputy manager and manager of the development department, assistant to general manager, and the chief engineer. Before he joined the Company, he had worked in various positions, including deputy manager and manager of the technical department of Baosteel Group People's Machinery Factory* (寶鋼集團人民機械廠) during the period from July 1985 to July 2000. Mr Wan graduated from Jiangxi National Defence Industry Staff College* (江西省國防工業職工大學) with studies in mechanical manufacturing in 1985.

Mr Xiao Li Jun (肖立軍), aged 51, is the deputy general manager of the Company. He has more than 6 years of experience in production management. He joined the Company in September 2006 as a production manager. He joined Qingpu Fire-fighting Equipment Factory* (青浦消防器材廠) in 1979.

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr Zhao Da Rong (趙大榮), aged 43, has been the office manager of the Company since November 2006. He has over 20 years of experience in general management. Before he joined the Company, he had worked as the deputy office manager and office manager of Shanghai Huasheng during the period from December 1997 to November 2006, and as the office manager and deputy general manager of Shanghai Huasheng Fine Chemicals Co., Ltd.* (上海華盛精細化工有限公司) from February 1992 to December 1997. Mr Zhao graduated from Shanghai Anting Teachers Training School with a major in education in July 1988. He completed the training course of intermediate professional manager (national professional qualification Grade 2) (中級職業經理人（國家職業資格二級）培訓班) held by Shanghai Centre for Quality of Management (上海卓越管理中心) in August 2008.

Mr Luo Jun (駱軍), aged 39, is the technical manager of the Company. He has more than 9 years of experience in industrial techniques. He joined the Company in January 2004 and had been working as technician and technical manager. He had worked as a technician in Baosteel People's Machinery Factory* (寶鋼集團人民機械廠) during the period from August 1996 to January 2000. Mr Luo graduated from Nanchang Hankong Industrial College* (南昌航空工業學院) with studies in metal forming process and equipment in 1996.

Ms Shi Yan (石燕), aged 46, is the manager of quality inspection department of the Company. She has over 18 years of experience in quality control. She joined the Company in December 2006 as the manager of quality inspection department. Before this, she had worked as the deputy manager of the quality inspection department of Shanghai Huasheng during the period from September 2003 to November 2004 and as quality inspector of Shanghai Unilever Co., Ltd. (上海聯合利華股份有限公司) during period from July 1986 to July 2003. Ms Shi completed professional studies from Shanghai No. 2 Light Industry School* (上海市第二輕業學校).

Mr Li Hua (李華), aged 51, is the production facility manger of the Company. He has more than 22 years of experience in factory manufacturing. In 1979, he worked in Qingpu Fire-fighting Equipment Factory* (青蒲消防器材廠). He worked in Qingpu Shanhu Machinery Factory* (青蒲山湖機械廠) from January 1990 to February 2001 as a workshop supervisor. In March 2001, he joined the Company and worked as workshop supervisor, deputy manager and manager of the production facility department.

Ms Zhang Li Min (張麗敏), aged 58, has been the executive director of Liming since May 2009. She has over 12 years of experience in fire safety industry. She has been the chairperson of Shanghai Tianlin Fire Safety Engineering Co., Ltd.* (上海天淋消防安全工程有限公司) since November 2003. She had worked in Shanghai Tiande Safety Technology Co., Ltd.* (上海天德安全科技有限公司) during the period from 1998 to 2003. She worked as the division head of the infrastructure division of Shanghai Jiabao Group Joint Stock Co., Ltd.* (上海嘉寶集團股份有限公司基建科) from April 1992 to April 1998. Ms Zhang graduated from the China Agricultural TV School* (中國農業廣播電視學校) with studies in agricultural economic management in 1988.

Ms Xing Li Juan (刑麗娟), aged 31, has been the general manager of Liming since May 2009. She has over eight years of experience in fire testing and consultancy. Prior to joining Liming, she worked in Shanghai Tianlin Fire Safety Engineering Co., Ltd.* (上海天淋消防安全工程有限公司) during the period from July 2004 to May 2009. Ms Xing graduated from Jilin Construction Engineering College* (吉林建築工程學院) with a bachelor's degree in electrical engineering and automation in 2004. She was conferred the qualification of engineer by the Shanghai Professional Test Authority* (上海市職業能力考試院) in 2010 and the qualification of fire technology inspecting services (消防技術檢測服務) by the Shanghai Fire Protection Association (上海市消防協會) in 2009.

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

Mr. Wong Kwan Pui, aged 53, is the qualified accountant and company secretary of the Company. Mr. Wong is a graduate of the Hong Kong Polytechnic University in Accounting. Mr. Wong is an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Wong has over 30 years of experience in international accounting and auditing, financial planning and management. Mr. Wong joined the Company on 12 May 2006.

SUPERVISORS

In accordance with Articles 124 of the Company's Articles of Association, Supervisors shall be elected at general meetings of the Company for a term of three years. Mr. Mao Jiang Wei, Mr. Wan Xi Zhong and Mr. Zhao Da Rong have been re-elected as Supervisors of the Company at the General Meeting held on 11 April 2011.

COMPLIANCE OFFICER

Mr. Gong Xu Lin was appointed as compliance officer on 11 April 2011.

SENIOR MANAGEMENT

Mr. Mao Qian Meng, aged 58, is the Company's deputy general manager. He was the general manager of Xinjiang Yinjian Fire-fighting Equipment Factory (新疆銀劍消防器材廠) and Zhejiang Jiangshan Fire-fighting Equipment Factory (浙江江山市消防器材廠). He joined the Company as deputy general manager in May 2009.

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.

BOARD OF DIRECTORS

The Board comprises of eight members, including three executive Directors, Mr. Zhou Jin Hui, Mr. Gong Xu Lin and Mr. Shen Jian Zhong, two non-executive Directors, Ms. Chai Xiao Fang and Ms. Wang Xiang, and three independent non-executive Directors, Mr. Wang Guo Zhong, Mr. Yang Chun Bao and Mr. Zhang Cheng Ying. Their term of office will end upon the commencement of the 2014 annual general meeting where re-election would be conducted.

CORPORATE GOVERNANCE REPORT

The Board conducted 8 meetings in 2012 to discuss and decide on development strategies, critical operational matters, financial affairs and other matters stipulated in the articles of association of the Company. The following table sets out the attendance of Directors' meetings in 2012 in details:

Directors		**Number of Meetings/Attendance**
Executive Directors	Zhou Jin Hui	8/8
	Gong Xu Lin	8/8
	Shen Jian Zhong	8/8
Non-executive Directors	Chai Xiao Fang	8/8
	Wang Xiang	8/8
Independent non-executive Directors	Wang Guo Zhong	8/8
	Yang Chun Bao	8/8
	Zhang Cheng Ying	8/8

CHAIRMAN AND GENERAL MANAGER

During the year 2012, Mr. Zhou Jin Hui and Mr. Shen Jian Zhong 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 is in charge of ordinary business management. The Articles of Association of the Company set out the respective functions of the chairman and the general manager in detail.

EMOLUMENTS OF DIRECTORS

In 2012, none of Directors (other than executive director Shen Jian Zhong and independent non-executive director Wang Guo Zhong and Yang Chun Bao) of the Company received emoluments for the year ended 31 December 2012. Details of emoluments of Directors are set out in note 7 of the consolidated financial statements.

APPOINTMENT OF DIRECTORS

Directors of the Company are elected at general meetings with a term of three years for each session. Directors can be re-elected upon expiration of the term. On 11 April 2011, the Company has appointed new Directors with a term until the commencement of the 2014 general meeting where re-election would be conducted.

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 2012 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.

2 meetings have been conducted by the audit committee in 2012 for reviewing and discussion of the operating results, financial position and significant accounting policies and internal auditing issues of the Company for the year ended 31 December 2011 and for the six months ended 30 June 2012, and taking advice of auditors on the Company.

The following table sets out the attendance of the committee's meeting in 2012:

Committee members	Attendance/Number of meetings
Yang Chun Bao	2/2
Zhang Cheng Ying	2/2
Chai Xiao Fang	2/2

REMUNERATION COMMITTEE

The Remuneration Committee of the Company for the year 2012 comprises of one executive Director, Zhou Jin Hui and two independent non-executive Directors, Yang Chun Bao and Zhang Cheng Ying, which is in compliance with the requirement of the GEM Listing Rules that independent non-executive Directors should form the majority of the remuneration committee. Its primary responsibility is to make proposals to the Board with respect to the overall remuneration policy and framework for Directors and senior management of the Company and the establishment of formal and transparent procedures for formulating the remuneration policy.

NOMINATION COMMITTEE

The Company has established the Nomination Committee according to the relevant provisions of the GEM Listing Rules with written terms of reference. Its primary responsibilities include reviewing and supervising the framework, number of members and composition of the Board and making proposals to the Board in respect of any changes to be made and identifying and nominating suitable persons for appointment of Director.

As at 31 December 2012, the Nomination Committee comprises of one executive Director, Zhou Jin Hui and two independent non-executive Directors, Yang Chun Bao and Zhang Cheng Ying, which is in compliance with the requirement of the GEM Listing Rules that independent non-executive Directors should form the majority of the nomination committee.

AUDITORS' REMUNERATION

For the year under review, the fees in respect of audit and non-audit services provided to the Company by the auditors of the Company, Ascenda Cachet CPA Limited amounted to HK$400,000 and HK$ Nil, respectively.

DIRECTORS' REPORT

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiary are the manufacture and sale of fire fighting equipment products and seamless high pressure cylinders, safety inspection for fire control and manufacture and trading of iron casted grooved couplings.

The manufacture and trading of iron casted grooved couplings was a new activity commenced during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2012 and the state of affairs of the Company at the date are set out in the consolidated financial statements on pages 29 to 95.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities of the Company for the last five financial years, as extracted from the audited consolidated financial statements and restated/reclassified as appropriate, is set out on page 96. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant, equipment and investment properties of the Group during the year are set out in notes 13 and 14 to the consolidated financial statements, respectively.

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

DIRECTORS' REPORT

RESERVES

Details of movements in the reserves of the Group and the Company during the year is set out in the consolidated statement of changes equity and in note 28 to the consolidated financial statements, respectively.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2012, calculated under the Company Law of the People's Republic of China (the "PRC", being the jurisdiction in which the Company were established) amounted to Nil.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 29% of the total sales for the year and sales to the largest customer included therein amounted to approximately 10%. Purchases from the Group's five largest suppliers accounted for approximately 41% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 14%.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

DIRECTORS

The Directors of the Company as of the date of this report were:

Executive Directors:
Zhou Jin Hui
Gong Xu Lin
Shen Jian Zhong

Non-executive Directors:
Chai Xiao Fang
Wang Xiang

Independent non-executive directors:
Yang Chun Bao
Wang Guo Zhong
Zhang Cheng Ying

The Company has received annual confirmations of independence from Mr. Yang Chun Bao, Mr. Wang Guo Zhong and Mr. Zhang Cheng Ying and still considers them to be independent as at the date of this report.

DIRECTORS' REPORT

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on page 11 to 15 of the annual report.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

All directors (including Executive Directors, Non-Executive Directors and Independent Non-Executive Directors) and Supervisors have service contracts with the Company for a term of three years. Directors can be re-elected upon expiration of the term. On 11 April 2011, the Company has re-elected Directors with a term until the commencement of the 2014 general meeting where re-election would be conducted.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Company.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Companys, any of its subsidiaries and fellow subsidiaries were a party during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company nor any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2012, the interests and short positions of the Directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors as referred to in Rule 5.46 of the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules"), were as follows:

Long positions in shares of the Company

Name	Capacity	Number of shares	Approximate percentage of Share Capital total issued
Mr. Zhou Jin Hui *(Note 1)*	Held by controlled corporation	133,170,000	71.05%

Note:

1. Liancheng Fire-Fighting Group Company Limited holds 131,870,000 domestic shares of the Company. Liancheng Fire Protection Group (Hong Kong) Company Limited, a 100% subsidiary of Liancheng Fire-Fighting Group Company Limited, holds 1,300,000 H shares of the Company. Zhenjiang Hengtai Real Estate Joint Stock Co., Ltd. owns 70% of Liancheng Fire-Fighting Group Company Limited and Mr. Zhou Jin Hui owns 58% of Zhenjiang Hengtai Real Estate Joint Stock Co., Ltd. Accordingly, Mr. Zhou Jin Hui was deemed to be interested in 131,870,000 domestic shares and 1,300,000 H shares in the Company.

   Liancheng is owned as to 70% by Hengtai Real Estate, 20% by Jiangshan State-owned Assets Management Co.* (江山市國有資產經營公司) ("JSAM"), and 10% by Mr Rao Jun Xi (饒浚淅) ("Mr Rao"). Pursuant to an equity share transfer agreement dated 26 October 2012, Mr Rao agreed to transfer a 10% equity interest in Liancheng to Hengtai Real Estate at a consideration of RMB5 million. On 7 February 2013, Mr Zhou Jin Hui (周金輝), a Director and a controlling shareholder of Hengtai Real Estate, entered into an agreement with JSAM to acquire a 20% equity interest in Liancheng at a consideration of RMB10 million. However, both transfers have not been completed as at the date of this report, pending for the registration with the administration for industry and commerce. Upon completion of the above-mentioned transfers, Liancheng will be owned as to 80% by Hengtai Real Estate and 20% by Mr Zhou Jin Hui.

Save as disclosed above, as at 31 December 2012, none of the Directors of the Company has any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2012, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified to the Company of relevant interests and short positions in the issued share capital of the Company:

Name	Capacity	Number of shares	Approximate percentage of Share capital total registered
Liancheng Fire-Fighting Group Company Limited	Beneficial owner	131,870,000 *(Note 1)*	70.36%
	Held by controlled corporation	1,300,000 *(Note 2)*	0.69%
Zhejiang Hengtai Real Estate Joint Stock Co., Ltd.	Held by controlled corporation	131,870,000 *(Note 1)*	70.36%
	Held by controlled corporation	1,300,000 *(Note 2)*	0.69%
Mr. Zhou Jin Hui	Held by controlled corporation	131,870,000 *(Note 1)*	70.36%
	Held by controlled corporation	1,300,000 *(Note 2)*	0.69%
Victory Investment China Group Ltd.	Beneficial owner	16,628,000	8.87%
Chu Yuet Wah	Held by controlled corporation	16,628,000 *(Note 3)*	8.87%
Best Forth Limited	Held by controlled corporation	16,628,000 *(Note 3)*	8.87%
Ample Cheer Limited	Held by controlled corporation	16,628,000 *(Note 3)*	8.87%
Kingston Finance Limited	Person having a security interest in shares	16,628,000 *(Note 3)*	8.87%

Notes:

1. All represent domestic shares of the Company.

2. Liancheng Fire-Fighting Group Company Limited hold 131,870,000 domestic shares of the Company. Liancheng Fire Protection Group (Hong Kong) Company Limited, a 100% subsidiary of Liancheng Fire-Fighting Group Company Limited, holds 1,300,000 H shares of the Company. Zhenjiang Hengtai Real Estate Joint Stock Co., Ltd. owns 70% of Liancheng Fire-Fighting Group Company Limited and Mr. Zhou Jin Hui owns 58% of Zhenjiang Hengtai Real Estate Joint Stock Co., Ltd. Accordingly, Zhenjiang Hengtai Real Estate Joint Stock Co., Ltd. and Mr. Zhou Jin Hui were deemed to be interested in 131,870,000 domestic shares and 1,300,000 H shares in the Company.

   Liancheng is owned as to 70% by Hengtai Real Estate, 20% by Jiangshan State-owned Assets Management Co.* (江山市國有資產經營公司) ("JSAM"), and 10% by Mr Rao Jun Xi (饒浚淅) ("Mr Rao"). Pursuant to an equity share transfer agreement dated 26 October 2012, Mr Rao agreed to transfer a 10% equity interest in Liancheng to Hengtai Real Estate at a consideration of RMB5 million. On 7 February 2013, Mr Zhou Jin Hui (周金輝), a Director and a controlling shareholder of Hengtai Real Estate, entered into an agreement with JSAM to acquire a 20% equity interest in Liancheng at a consideration of RMB10 million. However, both transfers have not been completed as at the date of this report, pending for the registration with the administration for industry and commerce. Upon completion of the above-mentioned transfers, Liancheng will be owned as to 80% by Hengtai Real Estate and 20% by Mr Zhou Jin Hui.

3. Kingston Finance Limited has a security interest in 16,628,000 H shares of the Company. Ample Cheer Limited, 80% of which is held by Best Forth Limited, holds 100% of Kingston Finance Limited. Chu Yuet Wah holds 100% of Best Forth Limited.

Save as disclosed above, the Company has not been notified of any other relevant interests representing 5% or more in the issued shares capital of the Company as at 31 December 2012.

CONTINUING CONNECTED TRANSACTIONS

The continuing connected transactions undertaken by the Company are set out in note 32 to the consolidated financial statements. The Company has sold fire extinguisher steel cylinders and aluminum cylinders to Zhenjiang Hengtai Real Estate Joint Stock Co., Ltd. and its subsidiaries. The independent non-executive Directors have examined and confirmed that:

(i) these transactions were executed in the ordinary and usual course of business of the Company;

(ii) these transactions were executed on normal commercial terms or on terms not less favourable than those given to (or obtained from, wherever applicable) independent third parties (if no comparable transaction can be referred to judge whether the transaction was executed on normal commercial terms); and

(iii) these transactions were executed in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interest of the Company's shareholders as a whole.

* *for identification purposes only*

Ascenda Cachet CPA Limited ("Cachet"), the Company's auditors, had been engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. Cachet have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 20.38 of the GEM Listing Rules. A copy of the auditors' letter has been provided by the Company to the Hong Kong Stock Exchange.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

None of the Directors or the management shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Company.

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.

INDEPENDENT AUDITORS' REPORT

13F Neich Tower
128 Gloucester Road
Wanchai Hong Kong

TO THE SHAREHOLDERS OF
SHANGHAI QINGPU FIRE-FIGHTING EQUIPMENT CO., LTD.
(A joint stock limited company established in the People's Republic of China)

We have audited the consolidated financial statements of Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages 29 to 93, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ascenda Cachet CPA Limited
Certified Public Accountants

Chan Chi Yuen
Practising Certificate Number P02671
Hong Kong
20 March 2013

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2012

	Notes	**2012** **RMB'000**	2011 RMB'000 (Restated)
Revenue	5	**35,735**	38,506
Cost of sales		**(26,708)**	(28,728)
Gross profit		**9,027**	9,778
Other income and gains	5	**4,337**	1,974
Reversal of impairment loss on loans receivable from former controlling shareholder	21	**–**	11,065
Gain on bargain purchase	29	**–**	861
Selling and distribution expenses		**(842)**	(843)
Administrative expenses		**(6,222)**	(7,753)
Finance costs		**–**	–
Profit before tax	6	**6,300**	15,082
Income tax expense	9	**(514)**	(182)
Profit for the year		**5,786**	14,900
Attributable to:			
Owners of the Company		**5,502**	14,799
Non-controlling interests		**284**	101
		5,786	14,900
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	11		
Basic (RMB cents)		**3**	8
Diluted (RMB cents)		**3**	8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2012

	2012	2011
	RMB'000	*RMB'000*
		(Restated)
PROFIT FOR THE YEAR	**5,786**	14,900
OTHER COMPREHENSIVE INCOME		
Gain on property revaluation on transfer from owner-occupied properties to investment properties *(note 13)*	**–**	15,065
Income tax effect	**–**	(3,766)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**–**	11,299
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**5,786**	26,199
Attributable to:		
Owners of the Company	**5,502**	26,098
Non-controlling interests	**284**	101
	5,786	26,199

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2012

	Notes	2012 RMB'000	2011 RMB'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	*13*	**9,547**	11,210
Investment properties	*14*	**23,370**	22,150
Prepaid land lease payments	*15*	**125**	128
Total non-current assets		**33,042**	33,488
CURRENT ASSETS			
Inventories	*17*	**7,024**	6,065
Trade and bills receivables	*18*	**8,771**	8,879
Prepayments, deposits and other receivables	*19*	**2,430**	2,833
Due from fellow subsidiaries	*20*	**1,915**	1,453
Loans receivable from former controlling shareholder	*21*	**–**	–
Cash and cash equivalents	*23*	**12,726**	6,756
Total current assets		**32,866**	25,986
CURRENT LIABILITIES			
Trade payables	*24*	**3,615**	4,517
Other payables and accruals	*25*	**4,526**	4,179
Tax payables		**69**	49
Total current liabilities		**8,210**	8,745
NET CURRENT ASSETS		**24,656**	17,241
TOTAL ASSETS LESS CURRENT LIABILITIES		**57,698**	50,729
NON-CURRENT LIABILITIES			
Due to immediate holding company	*26*	**(1,800)**	(1,800)
Deferred tax liabilities	*22(b)*	**(4,120)**	(3,815)
Total non-current liabilities		**(5,920)**	(5,615)
Net assets		**51,778**	45,114

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2012

	Notes	**2012** **RMB'000**	2011 *RMB'000* (Restated)
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*27*	**18,743**	18,743
Reserves	*28*	**32,483**	25,974
		51,226	44,717
Non-controlling interests		**552**	397
Total equity		**51,778**	45,114

Director

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2012

	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
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 27)	(note 28)	(note 28)	(note 28)	(note 28)					
At 1 January 2011	18,743	10,910	22,799	3,734	1,500	–	(40,347)	17,339	–	17,339
Total comprehensive income for the year (as restated)	–	–	–	–	–	11,299	14,799	26,098	101	26,199
Acquisition of a subsidiary *(note 29)*	–	–	–	–	–	–	–	–	296	296
Transfer to statuary reserve funds	–	–	–	1,302	–	–	(1,302)	–	–	–
Waiver of amount due to immediate holding company *(note 26)*	–	–	1,280	–	–	–	–	1,280	–	1,280
At 31 December 2011 and 1 January 2012	18,743	10,910	24,079	5,036	1,500	11,299	(26,850)	44,717	397	45,114
At 1 January 2012:										
As previously reported	**18,743**	**10,910**	**24,079**	**5,036**	**1,500**	**15,065**	**(26,801)**	**48,532**	**397**	**48,929**
Prior year adjustments *(note 2.2)*	**-**	**-**	**-**	**-**	**-**	**(3,766)**	**(49)**	**(3,815)**	**-**	**(3,815)**
As restated	**18,743**	**10,910**	**24,079**	**5,036**	**1,500**	**11,299**	**(26,850)**	**44,717**	**397**	**45,114**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**5,502**	**5,502**	**284**	**5,786**
Transfer to statuary reserve funds	**-**	**-**	**-**	**432**	**-**	**-**	**(480)**	**(48)**	**48**	**-**
Waiver of amount due to immediate holding company *(note 26)*	**-**	**-**	**1,055**	**-**	**-**	**-**	**-**	**1,055**	**-**	**1,055**
Dividend paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(177)**	**(177)**
At 31 December 2012	**18,743**	**10,910**	**25,134**	**5,468**	**1,500**	**11,299**	**(21,828)**	**51,226**	**552**	**51,778**

* These reserve accounts comprise the consolidated reserves of approximately RMB32,483,000 (2011: approximately RMB25,974,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2012

	Notes	2012 RMB'000	2011 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**6,300**	15,082
Adjustments for:			
Amortisation of prepaid land lease payments	*6*	**3**	3
Depreciation of property, plant and equipment	*6*	**1,993**	1,987
Gain on disposal of items of property, plant and equipment	*5*	**(7)**	(52)
Gain on bargain purchases	*29*	**–**	(861)
Fair value gains on investment properties	*5*	**(1,220)**	(196)
Write off of property, plant and equipment	*3*	**1**	20
Reversal of impairment loss on loans receivable from former controlling shareholder	*21*	**–**	(11,065)
Interest income	*5*	**(36)**	(27)
		7,034	4,891
(Increase)/decrease in inventories		**(959)**	533
Decrease/(increase) in trade and bills receivables		**108**	(5,387)
Decrease/(increase) in prepayments, deposits and other receivables		**403**	(856)
(Decrease)/increase in trade payables		**(902)**	740
Increase/(decrease) in other payables and accruals		**347**	(205)
Increase in amounts due from fellow subsidiaries		**(462)**	(1,288)
Cash generated from/(used in) operations		**5,569**	(1,572)
Corporate income tax paid		**(189)**	(83)
Net cash flows from/(used in) operating activities		**5,380**	(1,655)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2012

	Notes	2012 RMB'000	2011 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of a subsidiary	29	–	(277)
Purchase of items of property, plant and equipment	13	(335)	(761)
Additions of construction in progress	13	–	(671)
Acquisition of an investment property	14	–	(5,154)
Proceeds from disposal of items of property, plant and equipment		11	397
Interest received		36	27
Net cash flows used in investing activities		(288)	(6,439)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in loans receivable from former controlling shareholder	21	–	6,000
Advance from/(repayment to) immediate holding company	26	1,055	(2,920)
Dividend paid to non-controlling interest		(177)	–
Net cash flows from financing activities		878	3,080
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,970	(5,014)
Cash and cash equivalents at beginning of year		6,756	11,770
CASH AND CASH EQUIVALENTS AT END OF YEAR		12,726	6,756
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		12,726	6,756

STATEMENT OF FINANCIAL POSITION

31 December 2012

	Notes	2012 RMB'000	2011 RMB'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	13	**8,893**	10,394
Investment properties	14	**23,370**	22,150
Prepaid land lease payments	15	**125**	128
Investment in a subsidiary	16	**1,800**	1,800
Total non-current assets		**34,188**	34,472
CURRENT ASSETS			
Inventories	17	**7,024**	6,065
Trade and bills receivables	18	**8,102**	8,113
Prepayments, deposits and other receivables	19	**1,368**	1,912
Due from fellow subsidiaries	20	**1,915**	1,453
Loans receivable from former controlling shareholder	21	**–**	–
Cash and cash equivalents	23	**9,328**	4,958
Total current assets		**27,737**	22,501
CURRENT LIABILITIES			
Trade payables	24	**3,615**	4,517
Other payables and accruals	25	**3,847**	3,893
Total current liabilities		**7,462**	8,410
NET CURRENT ASSETS		**20,275**	14,091
TOTAL ASSETS LESS CURRENT LIABILITIES		**54,463**	48,563
NON-CURRENT LIABILITIES			
Due to immediate holding company	26	**(1,800)**	(1,800)
Deferred tax liabilities	22(b)	**(4,120)**	(3,815)
Total non-current liabilities		**(5,920)**	(5,615)
Net assets		**48,543**	42,948
EQUITY			
Issued capital	27	**18,743**	18,743
Reserves	28(b)	**29,800**	24,205
Total equity		**48,543**	42,948

Director *Director*

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 fire fighting equipment products;

- provision of fire technology consulting testing and inspection services; and

- manufacture and trading of iron casted grooved couplings.

The manufacture and trading of iron casted grooved couplings was a new activity commenced during the year.

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) 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.

2.1 BASIS OF PREPARATION (CONTINUED)

These 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 2012. 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 of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

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.

2.2 CHANGE IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised IFRS for the first time for the current year's consolidated financial statements.

IAS 12 Amendments	Amendments to IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets
IFRS 1 Amendments	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
IFRS 7 Amendments	Amendments to IFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets

2.2 CHANGE IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

Other than as further explained below regarding the impact of amendments to IAS 12, the adoption of the revised IFRSs has had no significant financial effect on these consolidated financial statements.

The IAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in SIC-Int 21 Income Taxes – Recovery of Revalued Non-Depreciable Assets that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. Prior to the adoption of the amendments, deferred tax with respect to the Group's investment properties was provided on the basis that the carrying amount will be recovered through use, and accordingly the profits tax rate had been applied to the calculation of deferred tax arising on the revaluation of the Group's investment properties. Upon the adoption of IAS 12 Amendments, deferred tax in respect of the Group's investment properties is provided on the presumption that the carrying amount will be recovered through sale. The effects of the above change and prior year adjustments for the year ended 31 December 2011 are summarised below:

2.2 CHANGE IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

	2012	2011
	RMB'000	*RMB'000*
Consolidated income statement for the year ended 31 December		
Increase in income tax expense	**305**	49
Decrease in profit for the year	**305**	49
Decrease in other comprehensive income	**–**	3,766
Decrease in basic earnings per share (RMB cents) #	**–**	–
Decrease in diluted earnings per share (RMB cents) #	**–**	–
Consolidated statement of financial position at 31 December		
Increase in deferred tax liabilities and total non-current liabilities	**4,120**	3,815
Decrease in net assets and reserves	**4,120**	3,815
Consolidated statement of financial position at 1 January		
Increase in deferred tax liabilities and total non-current liabilities	**3,815**	–
Decrease in net assets and reserves	**3,815**	–

Immaterial amount rounded down to Nil

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.

IAS 1 Amendments	Amendments to IAS 1 *Presentation of Financial Statement – Other Comprehensive Income* [1]
IAS 19 (2011)	Employee Benefits [2]
IAS 27 (2011)	Separate Financial Statements [2]
IAS 28 (2011)	Investments in Associate and Joint Ventures [2]
IAS 32 Amendments	Amendments to IAS 32 Financial Instruments: *Presentation – Offsetting Financial Assets and Liabilities* [3]
IFRS 9	Financial Instruments [4]
IFRS 10	Consolidated Financial Statement [2]
IFRS 11	Joint Arrangement [2]
IFRS 12	Disclosure of Interests in Other Entities [2]
IFRS 13	Fair Value Measurement [2]
IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* – Government Loans [2]
IFRS 7 Amendments	Amendments to IFRS 7 Financial Instruments: *Disclosures – Offsetting Financial Assets and Financial Liabilities* [2]
IFRS 10, IFRS 11 and IAS 27 (2011) Amendments	Amendments to IFRS 10, IFRS 12 and IAS 27 (2011) – *Investment Entities* [3]
IFRS 10, IFRS 11 and IFRS 12 Amendments	Amendments to IFRS 10, IFRS 11 and IFRS 12 – *Transition Guidance* [2]
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine [2]
Annual Improvements 2009 – 2011 Cycle	Amendments to a number of IFRSs issued in May 2012 [2]

1 Effective for annual periods beginning on or after 1 July 2012
2 Effective for annual periods beginning on or after 1 January 2013
3 Effective for annual periods beginning on or after 1 January 2014
4 Effective for annual periods beginning on or after 1 January 2015

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 these new and revised IFRSs are unlikely to have a significant impact on the both Group's results of operations and financial position.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with IFRS 5 are stated at cost less any impairment losses.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed in these circumstances is measured based on the relative value of the disposed operation and the portion of the cash-generating unit retained.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated income statement in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person,

   (i) has control or joint control over the Group;

   (ii) has significant influence over the Group; or

   (iii) is a member of the key management personnel of the Group or of a parent of the Group;

(b) the party is an entity where any of the following conditions applies:

   (i) the entity and the Group are members of the same group;

   (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

   (iii) the entity and the Group are joint ventures of the same third party;

   (iv) one entity is joint venture of a third entity and the other entity is an associate of the third entity;

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (continued)

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The useful lives for this purpose are as follows:

Buildings	Over the shorter of the lease terms and 40 years
Machinery	8 to 10 years
Furniture, fixtures and computer equipment	6 to 10 years
Motor vehicles	4 to 8 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purpose; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of the investment properties are included in the consolidated income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated income statement in the year of the retirement or disposal.

If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use. Any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation, the revaluation surplus is credited to asset revaluation reserve, while the revaluation deficit is charged to the consolidated income statement.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rental receivable under the operating leases are credited to the consolidated income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the consolidated income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets are classified and accounted for as loans and receivables.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the consolidated income statement. The loss arising from impairment is recognised in the consolidated income statement in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the consolidated income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the consolidated income statement.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, and amount due to immediate holding company. The financial liabilities are classified and accounted for as loans and borrowings.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated income statement.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated income statement.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(i) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(ii) rental income, on a time proportion basis over the lease terms;

(iii) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and

(iv) from the rendering of services, when the services are provided.

Employee benefits

The employees of the Group's subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the consolidated income statement as they become payable in accordance with the rules of the central pension scheme.

Foreign currencies

These consolidated financial statements are presented in Renminbi ("RMB), which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated income statement.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of non-financial assets

The Group assess whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset exceeds it recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of trade receivables and other receivables

The Group's management estimates impairment of receivables resulting from the inability of the customers and related companies to make the required payments. The Group's management assessed the impairment based on the aging of the balances of the customers and current accounts with the related companies, customer creditworthiness, and historical write-off experience. If the financial condition of the customers and related companies were to deteriorate, actual write offs would be higher than estimated.

Impairment of property, plant and equipment and prepaid land lease payments

The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, which requires significant judgement relating to level of revenue and amount of operating costs. The Group's management uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitors' actions in response to severe industry cycle. Management will revise the depreciation charge where useful lives are different from previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Fair value of investment properties

Investment properties are carried in the consolidated statement of financial position at its fair value. The fair value was based on a valuation on this properties conducted by an independent firm of professional valuers using property valuation techniques which involve making assumptions on certain market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three (2011: two) reportable operating segments as follows:

(i) Fire-fighting equipment segment – manufacture and sales of fire fighting equipment products;

(ii) Consulting and testing services segment – provision of fire technology consulting, testing and inspection services; and

(iii) Grooved couplings segment – manufacture and trading of iron casted grooved couplings (which was commenced during the year ended 31 December 2012).

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 investment properties as these assets are managed on a group basis.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

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

For the year ended 31 December 2012

	Fire-fighting equipment *RMB'000*	Consulting and testing services *RMB'000*	Grooved couplings *RMB'000*	Total *RMB'000*
Segment revenue:				
Sales/services provided to external customers	26,833	7,955	947	35,735
Segments results	557	3,036	86	3,679
Reconciliation:				
Interest income				36
Other income				100
Gross rental income				1,993
Fair value gains on investment properties				1,220
Corporate and unallocated expenses				(728)
Profit before tax				6,300
Segment assets	36,754	–	5,784	42,538
Unallocated assets				23,370
Total assets				65,908
Segment liabilities	7,462	–	679	8,141
Unallocated liabilities				5,989
Total liabilities				14,130
Capital expenditure*	301	–	34	335
Depreciation and amortisation	1,799	–	197	1,996

4. OPERATING SEGMENT INFORMATION (CONTINUED)

For the year ended 31 December 2011, the Group operated two business segments, being the sales of fire fighting equipment segment and consulting and testing services segment in the PRC.

For the year ended 31 December 2011

	Fire-fighting equipment *RMB'000*	**Consulting and testing services** *RMB'000*	**Total** *RMB'000* (Restated)
Segment revenue:			
Sales/services provided to external customers	34,687	3,819	38,506
Segments results	2,522	1,056	3,578
Reconciliation:			
Interest income			27
Reversal of impairment loss on loans receivable from former controlling shareholder			11,065
Gain on bargain purchase			861
Gross rental income			790
Fair value gains on investment properties			196
Corporate and unallocated expenses			(1,435)
Profit before tax			15,082
Segment assets	33,022	4,302	37,324
Unallocated assets			22,150
Total assets			59,474
Segment liabilities	8,410	286	8,696
Unallocated liabilities			5,664
Total liabilities			14,360
Capital expenditure*	7,450	29	7,479
Depreciation and amortisation	1,884	106	1,990

* Capital expenditure consists of additions to property, plant and equipment, investment properties and construction in progress, including assets from the acquisition of a subsidiary.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

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

Information about a major customer

Revenue of approximately RMB3,476,000 (2011: approximately RMB4,460,000) was derived from sales of fire-fighting equipment to a single customer, which is an independent third party, during the year ended 31 December 2012.

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents income arising from the Group's principal activities, being manufacture and sale of fire fighting equipment products, provision of fire technology consulting testing and inspection services and manufacture and trading of iron casted grooved couplings, 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:

	2012	2011
	RMB'000	*RMB'000*
Revenue		
Sales of fire-fighting equipment	**26,833**	34,687
Consulting and testing services rendered	**7,955**	3,819
Trading of grooved couplings	**947**	–
Total revenue	**35,735**	38,506
Other income and Gains		
Interest income	**36**	27
Others	**259**	139
Gross rental income	**1,993**	790
Sales of scrap	**674**	770
Fair value gains on investment properties	**1,220**	196
Gain on disposal of items of property, plant and equipment	**7**	52
Recovery of bad debts	**148**	–
Total other income and gains	**4,337**	1,974
Total revenue, other income and gains	**40,072**	40,480

6. PROFIT BEFORE TAX

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

	2012	2011
	RMB'000	*RMB'000*
Cost of inventories sold	**22,793**	25,965
Cost of services provided	**3,915**	2,763
	26,708	28,728
Amortisation of prepaid land lease payments	**3**	3
Depreciation of property, plant and equipment	**1,993**	1,987
Minimum lease payments under operating leases:		
Plant and machinery	**29**	29
Land and buildings	**581**	597
Auditors' remuneration	**322**	488
Write off of property, plant and equipment	**1**	20
Staff costs (including directors' and supervisors' remuneration (note 7)):		
Wages and salaries	**5,429**	6,031
Pension scheme contributions	**618**	728
Social security costs	**463**	179
	6,510	6,938
Reversal of impairment loss on loans receivables from former controlling shareholder	**–**	(11,065)
Gain on disposal of items of property, plant and equipment	**(7)**	(52)
Interest income	**(36)**	(27)

7. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	Group	
	2012	2011
	RMB'000	*RMB'000*
Fees:		
Executive directors	**–**	–
Independent non-executive directors	**90**	90
	90	90
Other emoluments:		
Salaries, allowances and benefits in kind	**96**	96
Pension scheme contributions	**–**	–
	96	96
	186	186

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	Group	
	2012	2011
	RMB'000	*RMB'000*
Mr. Yang Chun Bao	**30**	30
Mr. Zhang Cheng Ying	**30**	30
Mr. Wang Guo Zhong	**30**	30
	90	90

There were no other emoluments payable to the independent non-executive directors during the year (2011: Nil).

7. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and supervisors

	Directors' fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
Year ended 31 December 2012				
Executive directors				
Zhou Jin Hui	–	–	–	–
Gong Xu Lin	–	–	–	–
Shen Jian Zhong	–	96	–	96
	–	96	–	96
Non-executive directors				
Cai Xiao Fang	–	–	–	–
Wang Xiang	–	–	–	–
	–	–	–	–
Supervisors				
Mao Jiang Wei	–	–	–	–
Zhao Da Rong	–	–	–	–
Wan Xi Zhong	–	–	–	–
Total	–	96	–	96

7. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and supervisors (continued)

	Directors' fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
Year ended 31 December 2011				
Executive directors				
Zhou Jin Hui	–	–	–	–
Gong Xu Lin	–	–	–	–
Shen Jian Zhong	–	96	–	96
	–	96	–	96
Non-executive directors				
Cai Xiao Fang	–	–	–	–
Wang Xiang	–	–	–	–
	–	–	–	–
Supervisors				
Mao Jiang Wei	–	–	–	–
Zhao Da Rong	–	–	–	–
Wan Xi Zhong	–	–	–	–
Total	–	96	–	96

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2011: Nil).

8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2011: one) director. Details of the remuneration of the remaining four (2011: four) non-directors, highest paid employees, are as follows:

	Group	
	2012	2011
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	**265**	187
Pension scheme contributions	**–**	–
	265	187

The number of non-director, highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees	
	2012	2011
Nil to RMB1,000,000	**4**	4

9. 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 years. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2012	2011
	RMB'000	*RMB'000*
		(Restated)
Group:		
Current – elsewhere	**209**	133
Deferred *(note 22(b))*	**305**	49
Total tax charge for the year	**514**	182

9. INCOME TAX (CONTINUED)

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. Further details are disclosed in note 22(a) to the consolidated financial statements.

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries in which the Company and the subsidiary 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			
	2012		2011	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**6,300**		15,082	
Tax at statutory tax rate	**1,575**	**25**	3,770	25
Tax effect of non-deductible expenses	**575**	**9**	772	5
Tax effect of non-taxable income	**(1,073)**	**(17)**	(1,095)	(7)
Tax effect on temporary differences not recognised *(note 22(a))*	**(81)**	**(1)**	(2,304)	(15)
Tax effect of tax losses utilised *(note 22(a))*	**(482)**	**(8)**	(990)	(7)
Others	**–**	**–**	29	–
Tax charge at the Group's effective tax rate	**514**	**8**	182	1

10. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company for the year ended 31 December 2012 includes a profit of RMB4,540,000 (2011: RMB13,030,000) which has been dealt with in the financial statements of the Company (note 28(b)).

11. 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 RMB5,502,000 (2011: RMB14,799,000 (as restated)) and on the number of ordinary shares of 187,430,000 (2011: 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 2012 and 2011 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

12. DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31 December 2012 (2011: Nil).

13. PROPERTY, PLANT AND EQUIPMENT

Group

	Construction in progress *RMB'000*	Buildings *RMB'000*	Machinery *RMB'000*	Furniture, fixtures and computer equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
31 December 2012						
At 1 January 2012:						
Cost	**671**	**2,952**	**19,464**	**1,264**	**1,429**	**25,780**
Accumulated depreciation	**–**	**(685)**	**(12,153)**	**(1,089)**	**(643)**	**(14,570)**
Net carrying amount	**671**	**2,267**	**7,311**	**175**	**786**	**11,210**
At 1 January 2012, net of accumulated depreciation	**671**	**2,267**	**7,311**	**175**	**786**	**11,210**
Additions	**–**	**232**	**31**	**72**	**–**	**335**
Write off	**–**	**–**	**(1)**	**–**	**–**	**(1)**
Disposals	**–**	**–**	**–**	**–**	**(4)**	**(4)**
Transfer to buildings	**(671)**	**671**	**–**	**–**	**–**	**–**
Depreciation provided during the year	**–**	**(90)**	**(1,637)**	**(44)**	**(222)**	**(1,993)**
At 31 December 2012, net of accumulated depreciation	**–**	**3,080**	**5,704**	**203**	**560**	**9,547**
At 31 December 2012:						
Cost	**–**	**3,855**	**19,473**	**1,336**	**1,327**	**25,991**
Accumulated depreciation	**–**	**(775)**	**(13,769)**	**(1,133)**	**(767)**	**(16,444)**
Net carrying amount	**–**	**3,080**	**5,704**	**203**	**560**	**9,547**

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group

	Construction in progress *RMB'000*	Buildings *RMB'000*	Machinery *RMB'000*	Furniture, fixtures and computer equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
31 December 2011						
At 1 January 2011:						
Cost	–	6,713	23,178	1,363	546	31,800
Accumulated depreciation	–	(3,341)	(14,475)	(1,215)	(398)	(19,429)
Net carrying amount	–	3,372	8,703	148	148	12,371
At 1 January 2011, net of accumulated depreciation	–	3,372	8,703	148	148	12,371
Additions	671	102	596	37	26	1,432
Acquisition of a subsidiary *(note 29)*	–	–	68	64	761	893
Surplus on revaluation*	–	15,065	–	–	–	15,065
Transfer to investment properties* *(note 14)*	–	(16,206)	–	–	–	(16,206)
Write off	–	–	(20)	–	–	(20)
Disposals	–	–	(328)	(10)	–	(338)
Depreciation provided during the year	–	(66)	(1,708)	(64)	(149)	(1,987)
At 31 December 2011, net of accumulated depreciation	671	2,267	7,311	175	786	11,210
At 31 December 2011:						
Cost	671	2,952	19,464	1,264	1,429	25,780
Accumulated depreciation	–	(685)	(12,153)	(1,089)	(643)	(14,570)
Net carrying amount	671	2,267	7,311	175	786	11,210

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company

	Construction in progress *RMB'000*	Buildings *RMB'000*	Machinery *RMB'000*	Furniture, fixtures and computer equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
31 December 2012						
At 1 January 2012:						
Cost	671	2,952	19,371	1,173	570	24,737
Accumulated depreciation	–	(685)	(12,137)	(1,067)	(454)	(14,343)
Net carrying amount	671	2,267	7,234	106	116	10,394
At 1 January 2012, net of accumulated depreciation	671	2,267	7,234	106	116	10,394
Additions	–	232	14	55	–	301
Write off	–	–	(1)	–	–	(1)
Disposals	–	–	–	–	(4)	(4)
Transfer to building	(671)	671	–	–	–	–
Depreciation provided during the year	–	(90)	(1,624)	(24)	(59)	(1,797)
At 31 December 2012, net of accumulated depreciation	–	3,080	5,623	137	53	8,893
At 31 December 2012:						
Cost	–	3,855	19,363	1,228	468	24,914
Accumulated depreciation	–	(775)	(13,740)	(1,091)	(415)	(16,021)
Net carrying amount	–	3,080	5,623	137	53	8,893

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company

	Construction in progress *RMB'000*	Buildings *RMB'000*	Machinery *RMB'000*	Furniture, fixtures and computer equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
31 December 2011						
At 1 January 2011:						
Cost	–	6,713	23,178	1,363	546	31,800
Accumulated depreciation	–	(3,341)	(14,475)	(1,215)	(398)	(19,429)
Net carrying amount	–	3,372	8,703	148	148	12,371
At 1 January 2011, net of accumulated depreciation	–	3,372	8,703	148	148	12,371
Additions	671	102	582	22	25	1,402
Surplus on revaluation*	–	15,065	–	–	–	15,065
Transfer to investment properties* *(note 14)*	–	(16,206)	–	–	–	(16,206)
Write off	–	–	(20)	–	–	(20)
Disposals	–	–	(328)	(9)	–	(337)
Depreciation provided during the year	–	(66)	(1,703)	(55)	(57)	(1,881)
At 31 December 2011, net of accumulated depreciation	671	2,267	7,234	106	116	10,394
At 31 December 2011:						
Cost	671	2,952	19,371	1,173	570	24,737
Accumulated depreciation	–	(685)	(12,137)	(1,067)	(454)	(14,343)
Net carrying amount	671	2,267	7,234	106	116	10,394

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The buildings together with the leasehold land (note 15) are situated in the PRC under medium term leases.

* On 1 November 2011, certain owner-occupied properties together with and the related prepaid land lease payments (note 15) were transferred to investment properties at an aggregate fair value of RMB16,800,000. The properties were revalued at the date of change in use (i.e. as at 1 November 2011) by Ascent Partner Transaction Service Limited, an independent professional qualified valuer, at RMB16,800,000, on an open market, exiting use basis.

14. INVESTMENT PROPERTIES

	Group and Company	
	2012	2011
	RMB'000	*RMB'000*
Carrying amount at beginning of year	**22,150**	–
Transfer from owner-occupied properties and prepaid land lease payments *(notes 13 and 15)*	**–**	16,800
Additions	**–**	5,154
Gain from a fair value adjustment	**1,220**	196
Carrying amount at 31 December	**23,370**	22,150

The investment properties are situated in the PRC under medium term leases.

On 1 November 2011, certain owner-occupied properties (note 13) and prepaid land lease payments (note 15) carried at an aggregate fair value of RMB16,800,000 were transferred to investment properties. In the opinion of the directors, there is no material change in fair value of the investment properties of the Group between 1 November 2011 and 31 December 2011.

On 16 February 2011, the Company acquired an investment property from an independent third party at a consideration of RMB5,154,000. The property was revalued on 31 December 2011 by Ascent Partner Transaction Service Limited, independent professionally qualified valuers, at RMB5,350,000, on an open market, existing use basis.

On 31 December 2012, the Group's investment properties were revalued by Ascent Partner Transaction Service Limited, independent professionally qualified valuers, at RMB23,370,000 on an open market, existing use basis.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 30(a) to the consolidated financial statements.

15. PREPAID LAND LEASE PAYMENTS

	Group and Company	
	2012	2011
	RMB'000	*RMB'000*
Carrying amount at 1 January	**131**	728
Transfer to investment properties *(note 14)*	**–**	(594)
Amortisation during the year	**(3)**	(3)
Carrying amount at 31 December	**128**	131
Current portion included in prepayments, deposits and other receivables	**(3)**	(3)
Non-current portion	**125**	128

The leasehold land together with the buildings (note 13) is situated in the PRC and held under a medium term lease.

16. INVESTMENT IN A SUBSIDIARY

	Company	
	2012	2011
	RMB'000	*RMB'000*
Unlisted shares, at cost	**1,800**	1,800

Particulars of the subsidiary are as follows:

Name	Place of registration and operations	Nominal value of registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
上海黎明消防檢測有限公司Shanghai Liming Fire Testing Co., Limited ("Liming")*	The People's Republic of China	RMB2 million	90	–	Provision of fire technology consulting, testing and inspection services

During the year ended 31 December 2011, the Company acquired 90% equity interest in Liming from two independent third parties. Further details of the acquisition are included in note 29 to the consolidated financial statements. Liming is registered as a limited liability company established in the PRC.

* Ascenda Cachet CPA Limited is not the statutory auditor of the subsidiary.

17. INVENTORIES

	Group and Company	
	2012	2011
	RMB'000	*RMB'000*
Raw materials	**2,357**	3,507
Work in progress	**3,174**	1,438
Finished goods	**1,228**	980
Low cost consumables	**265**	140
	7,024	6,065

18. TRADE AND BILLS RECEIVABLES

	Group		Company	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Trade receivables	**8,171**	7,810	**7,502**	7,044
Bills receivables	**600**	1,069	**600**	1,069
	8,771	8,879	**8,102**	8,113

The Group's trading terms with its customers are mainly on credit, 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 and has a credit control department 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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

18. TRADE AND BILLS RECEIVABLES (CONTINUED)

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		Company	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Within 1 month	**3,323**	2,913	**2,908**	2,479
1 to 2 months	**910**	913	**815**	819
2 to 3 months	**999**	1,454	**925**	1,380
Over 3 months	**3,539**	3,599	**3,454**	3,435
	8,771	8,879	**8,102**	8,113

The aged analysis of the trade and bills receivables that are not individually nor collectively considered to be impaired is as follows:

	Group		Company	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Neither past due nor impaired	**5,062**	5,112	**4,648**	4,678
Less than 1 month past due	**649**	1,413	**553**	1,320
1 to 3 months past due	**1,068**	1,138	**934**	1,063
More than 3 months past due	**1,992**	1,216	**1,967**	1,052
	8,771	8,879	**8,102**	8,113

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Group are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Prepayments	**1,823**	2,688	**792**	1,769
Deposits and other receivables	**607**	145	**576**	143
	2,430	2,833	**1,368**	1,912

None of the above assets is either past due or impaired (2011: Nil). The financial assets included in the above balances relate to receivables for which there was no recent history of default.

20. DUE FROM FELLOW SUBSIDIARIES

Group and Company

Name	*Note*	**31 December 2012** *RMB'000*	**Maximum amount outstanding during the year** *RMB'000*	**1 January 2012** *RMB'000*
上海石化消防工程有限公司 (literally translated as "Shanghai Petro-Chemical Fire-fighting Engineering Company Limited", "SPFE")	*(i)*	802	802	218
上海聯滬消防器材有限公司 (literally translated as "Shanghai Lianhu Fire-fighting Equipment Company Limited", "SLFE")	*(i)*	42	50	50
上海元蓬國際貿易有限公司 (literally translated as "Shanghai J.S.X. International Trading Corporation", "JSX Trading")	*(i)*	507	1,185	1,185
上海高壓特種气瓶有限公司 (literally translated as "Shanghai Pressure Special Gas Cylinder Co., Limited", "Special Cylinder")	*(i)*	564	564	–
		1,915		1,453

20. DUE FROM FELLOW SUBSIDIARIES (CONTINUED)

Note:

(i) These companies are controlled by Zhejiang Hengtai, the Group's ultimate holding company. The amounts due from fellow subsidiaries are unsecured, interest-free and have no fixed terms of repayments. These balances as at 31 December 2012 and 2011 were trade in nature.

21. LOANS RECEIVABLE FROM FORMER CONTROLLING SHAREHOLDER

	Group and Company	
	2012	2011
	RMB'000	*RMB'000*
Bank loans	**4,000**	4,000
Advanced from the Company	**1,000**	1,000
Write-off	**(5,000)**	–
	–	5,000
Less: Impairment loss	**–**	(5,000)
	–	–

The loans were unsecured, interest-free and repayable on demand.

As at 31 December 2012, the directors of the Company decided to write off the loans receivable from former controlling shareholder of RMB5,000,000 because the loans receivable were long outstanding and settlement is considered as remote.

The movements in provision for impairment of loans receivable from former controlling shareholder are as follows:

	Group and Company	
	2012	2011
	RMB'000	*RMB'000*
At 1 January	**5,000**	16,065
Impairment losses reversed	**–**	(11,065)
Write-off	**(5,000)**	–
At 31 December	**–**	5,000

22. DEFERRED TAX

a) Deferred tax assets not recognised

The Group and the Company have not recognised deferred tax assets in respect of tax losses of approximately RMB209,000 (2011: RMB1,499,000) arising from the operation in the PRC as it is not considered probable that future taxable profits will be available against which the losses could be utilised. During the year, no (2011: Nil) unused tax loss of the Group and the Company was expired.

At the end of the reporting periods, the movement of unrecognised deferred tax assets in respect of tax losses and other assets of the Group and the Company as the follow:

	Group and Company		
	Other assets	**Tax losses**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
At 1 January 2011	2,525	2,489	5,014
Utilised during the year (note 9)	(2,304)	(990)	(3,294)
At 31 December 2011 and 1 January 2012	**221**	**1,499**	**1,720**
Over estimation in previous year	**–**	**(808)**	**(808)**
Utilised during the year (note 9)	**(81)**	**(482)**	**(563)**
At 31 December 2012	**140**	**209**	**349**

At 31 December 2012, the Group and the Company's tax losses will expire in the following years:

	Group and Company	
	2012	2011
	RMB'000	*RMB'000*
In 2017	**–**	–
In 2016	**–**	–
In 2015	**837**	1,235
In 2014	**–**	776
In 2013	**–**	3,659
In 2012	**–**	270
	837	5,940

22. DEFERRED TAX (CONTINUED)

b) Deferred tax liabilities

	Group and Company	
	Revaluation of properties	**Total**
	RMB'000	*RMB'000*
	(Restated)	(Restated)
At 1 January 2011	–	–
Deferred tax charged to the		
– income statement during the year, restated *(note 9)*	49	49
– statement of changes in equity during the year, restated	3,766	3,766
At 31 December 2011 and 1 January 2012	**3,815**	**3,815**
Deferred tax credited to the income statement during the year *(note 9)*	**305**	**305**
At 31 December 2012	**4,120**	**4,120**

23. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Bank balances	**12,563**	6,472	**9,169**	4,834
Cash on hand	**163**	284	**159**	124
Cash and cash equivalents	**12,726**	6,756	**9,328**	4,958

24. 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 and Company	
	2012	2011
	RMB'000	*RMB'000*
Within 1 month	**766**	1,189
1 to 2 months	**460**	874
2 to 3 months	**230**	253
Over 3 months	**2,159**	2,201
	3,615	4,517

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

25. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Other payables	**3,044**	2,282	**2,482**	2,178
Accruals	**963**	1,173	**879**	1,046
Advances from customers	**368**	322	**368**	322
VAT payables	**151**	402	**118**	347
Provision for loss on financial guarantees provided *(note (b))*	**–**	–	**–**	–
Provision for bank loan related expenses *(note (c))*	**–**	–	**–**	–
	4,526	4,179	**3,847**	3,893

Notes:

a) Other payables and accruals are non-interest bearing and normally settled within one year.

25. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Notes: (continued)

b) Provision for loss on financial guarantees provided by the Group and the Company to secure for the underlying bank loans (the "Underlying Bank Loans") granted to an ex-related company which were defaulted by it together with interests accrued, penalty interests and legal costs. All the financial guarantees and the pledges of assets had been released in 2010. The movements of the provision are as follows:

	Group		Company	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
At 1 January	**–**	190	**–**	190
Settlement of the bank loans by the ex-related company	**–**	(190)	**–**	(190)
At 31 December	**–**	–	**–**	–

c) Provision for bank loan related expense represented the interests, penalty interests and legal costs incurred for the Underlying Bank Loans as mentioned in note (b) above. The Underlying Bank Loans had been fully settled in 2010. The movements of the provisions are as follows:

	Group		Company	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
At 1 January	**–**	5,065	**–**	5,065
Repayment for the year	**–**	(5,065)	**–**	(5,065)
At 31 December	**–**	–	**–**	–

26. DUE TO IMMEDIATE HOLDING COMPANY

On 3 December 2010, the ultimate controlling shareholder, Zhejiang Hengtai Real Estate Joint Stock Co., Ltd., and the immediate holding company, Liancheng Fire-Fighting Group Company Limited ("Liancheng"), have undertaken to provide to the Company an unsecured, interest-free shareholders' loan facility in the sum of not exceeding RMB50 million (the "Facility") for a term of five years. The Facility could be extended at the discretion of Liancheng for further two years. As at 31 December 2012, Liancheng has advanced RMB1,800,000 (2011: RMB1,800,000) to the Company.

During the year, certain legal and professional fee in the amount of approximately RMB1,055,000 (2011: approximately RMB1,280,000) were paid on behalf of the Company by the immediate holding company, who has agreed not to demand for repayment from the Company. Accordingly, the amount was accounted for as a waiver of amount payable to the immediate holding company and recognised in the capital reserve during the year.

27. SHARE CAPITAL

	2012	2011
	RMB'000	*RMB'000*
Registered, issued and fully paid:		
131,870,000 unlisted domestic shares ("Domestic Shares") of RMB0.10 each	**13,187**	13,187
55,560,000 overseas listed foreign invested shares ("H Shares") of RMB0.10 each	**5,556**	5,556
	18,743	18,743

28. RESERVES

a) Group

The amounts of the Group's reserves and the movements therein for the current and prior year are presented in the consolidated statement of changes in equity on page 33 of the consolidated financial statements.

(i) Share premium

Share premium arose from the issuance of share at prices in excess of their par value.

(ii) Capital reserve

	Reversal of revaluation surplus of property, plant and equipment	**Waiver of amount due to the immediate holding company**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2011	(1,733)	24,532	22,799
Waived of amount due to the immediate holding company	–	1,280	1,280
At 31 December 2011 and 1 January 2012	**(1,733)**	**25,812**	**24,079**
Waived of amount due to the immediate holding company	**–**	**1,055**	**1,055**
At 31 December 2012	**(1,733)**	**26,867**	**25,134**

28. RESERVES (CONTINUED)

(ii) Capital reserve (continued)

Reversal of revaluation surplus of property, plant and equipment

Pursuant to a shareholders' resolution in October 2000, the Company was converted from a limited liability company into a joint stock limited liability company on 1 December 2000. The Company's registered and issued share capital was RMB13,187,000, divided into 131,870,000 domestic shares of RMB0.10 each, and was credited as fully paid by capitalising all the Company's then paid-in capital and reserves, calculated based on the Company's PRC GAAP financial statements.

The deficit of approximately RMB1,733,000 in capital reserve of the Company represents the excess of the net assets of the Company calculated based on its PRC GAAP financial statements over that calculated based on its financial statements prepared under IFRS when the conversion took place in 2000. Such excess resulted from a transfer of equity capital between investors of Shanghai Qingpu Fire-Fighting Equipment Factory in 1996, the Company's property, plant and equipment was revalued, and a revaluation surplus of approximately RMB1,733,000 was recorded as paid-in capital in its PRC GAAP financial statements. In the Company's financial statements prepared under IFRS, all property, plant and equipment was stated at historical cost. Accordingly, an adjustment of the same amount was recorded as a deficit of capital reserve.

(iii) Statutory reserve fund

According to PRC regulations and the Group's Articles of Association, the Group is required to transfer 10% of its profit after tax, as determined under the PRC accounting standards and regulations, to statutory reserve fund until the fund reaches 50% of the Group's registered capital. The transfer to this reserve must be made before distributing dividends to shareholders.

The statutory reserve fund can be used to make up for previous years' losses, if any. It may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

(iv) Discretionary common reserve fund

The Group may, at its discretion and subject to approval of its shareholders, transfer its retained earnings balance to its discretionary common reserve fund. The usage of discretionary common reserve fund is similar to that of the statutory reserve fund.

28. RESERVES (CONTINUED)

b) Company

	Share premium account	Capital reserve	Statutory reserve funds	Discretionary common reserve fund	Asset revaluation reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	note 28(a(i))	note 28(a(ii))	note 28(a(iii))	note 28(a(iv))			
At 1 January 2011	10,910	22,799	3,734	1,500	–	(40,347)	(1,404)
Profit for the year	–	–	–	–	–	13,030	13,030
Other comprehensive income for the year (restated):							
Gain on property revaluation, net of tax (restated)	–	–	–	–	11,299	–	11,299
Waiver of amount due to the immediate holding company	–	1,280	–	–	–	–	1,280
Transfer to statutory reserve funds	–	–	1,302	–	–	(1,302)	–
At 31 December 2011	10,910	24,079	5,036	1,500	11,299	(28,619)	24,205
At 1 January 2012							
As previously reported	**10,910**	**24,079**	**5,036**	**1,500**	**15,065**	**(28,570)**	**28,020**
Prior year adjustments *(note 2.2)*	**–**	**–**	**–**	**–**	**(3,766)**	**(49)**	**(3,815)**
As restated	**10,910**	**24,079**	**5,036**	**1,500**	**11,299**	**(28,619)**	**24,205**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**4,540**	**4,540**
Waiver of amount due to the immediate holding company	**–**	**1,055**	**–**	**–**	**–**	**–**	**1,055**
At 31 December 2012	**10,910**	**25,134**	**5,036**	**1,500**	**11,299**	**(24,079)**	**29,800**

29. BUSINESS COMBINATION

On 31 May 2011, the Company acquired a 90% equity interest in Liming from two independent third parties at a total cash consideration of RMB1,800,000. Liming is engaged in the provision of fire technology consulting, testing and inspection services.

The Group has elected to measure the non-controlling interests in Liming at the non controlling interests' proportionate share of Liming's identifiable net assets.

The fair values of the identifiable assets and liabilities of Liming as at acquisition were as follows:

	Note	**Fair value recognised on acquisition 2011** *RMB'000*
Property, plant and equipment	13	893
Trade receivables		424
Prepayments and other receivables		175
Cash and bank balances		1,523
Other payables and accruals		(58)
		2,957
Non-controllable interests		(296)
Gain on bargain purchase in the consolidated income statement		(861)
Satisfied by cash		1,800

The fair values and the gross contractual amounts of the trade receivables, and other receivables as at the date of acquisition were approximately RMB424,000 and RMB140,000, respectively.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration	(1,800)
Cash and bank balances acquired	1,523
	(277)

Since its acquisition, Liming contributed approximately RMB4,032,000 to the Group's revenue and approximately RMB1,011,000 to the consolidated profit for the year ended 31 December 2011.

Had the combination taken place at the beginning of the period, the revenue and the profit of the Group would have been approximately RMB40,519,000 and approximately RMB15,577,000 (as restated), respectively.

30. 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 2012, the Group had total future minimum lease receivable under non-cancellable operating leases falling due as follows:

	Group and Company	
	2012	2011
	RMB'000	*RMB'000*
Within one year	**1,814**	1,560
In the second to fifth years, inclusive	**4,442**	6,246
	6,256	7,806

(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 2012, the Group had total future minimum lease payments under non-cancellable operating leases with its tenant falling due as follows:

	Group		**Company**	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Within one year	**535**	704	**369**	375
In the second to fifth years, inclusive	**2,862**	3,110	**1,383**	1,060
After five years	**704**	1,050	**704**	1,396
	4,101	4,864	**2,456**	2,831

31. CAPITAL COMMITMENT

In addition to operating lease arrangements detailed in note 30 above, the Group had the following capital commitments at the end of the reporting period:

On 7 November 2012, the Company and its subsidiary, Shanghai Liming Fire Testing Co., Limited ("Liming"), entered into a sale and purchase agreement ("Agreement") (and an Excluded Interest agreement with the Vendors, Shanghai Anchor Pressure Vessel (Group) Co., Limited ("Anchor") and Shanghai Pressure Special Gas Cylinder Co., Limited ("Special Cylinder"), a subsidiary of Anchor, as part of the transaction under the Agreement) with Liancheng Fire-Fighting Group Company Limited, a controlling shareholder of the Company, and Mr. Wang Sheng (the "Mr. Wang"), an independent third party (collectively, the "Vendors"), pursuant to which, the Company and Liming shall acquire from the Vendors the entire issued share capital of Anchor and its subsidiaries, except for the land and building situated at No. 18, Lane 575, Jujiaqiao Road, Pudong New Area, Shanghai (the "Excluded Interest") held by Special Cylinder, at a consideration of RMB6 million (the "Acquisition"). The consideration shall be settled by cash upon 12 months after the completion of the registration procedure for the change of Anchor's shareholders in connection with the Acquisition.

The Acquisition has not yet been completed as at the date of this consolidated financial statements.

32. RELATED PARTY TRANSACTIONS AND BALANCES

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties, which also constitute continuing connected transactions under the GEM Listing Rules, during the year:

	Group	
	2012	2011
	RMB'000	*RMB'000*
Sales of goods		
SPFE	**816**	866
SLFE	**940**	850
Special Cylinder	**570**	–
JSX Trading	–	2,042
	2,326	3,758
Commission expenses		
JSX Trading	**347**	366

In the opinion of the board of directors, the above transactions were carried out in the normal course of business of the Group and at prices and terms comparable with those charged by and contracted with third parties.

32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) (continued)

On 3 December 2010, the ultimate controlling shareholder, Zhejiang Hengtai Real Estate Joint Stock Co., Ltd., and the immediate holding company, Liancheng Fire-Fighting Group Company Limited ("Liancheng"), have undertaken to provide to the Company an unsecured, interest-free shareholders' loan facility in the sum of not exceeding RMB50 million (the "Facility") for a term of five years. The Facility could be extended at the discretion of Liancheng for further two years. As at 31 December 2012, Liancheng has advanced RMB1,800,000 (2011: RMB1,800,000) to the Company (note 26).

The Company and JSX Trading entered into an agency agreement on 30 June 2011. Pursuant to the agreement, JSX Trading became a sales agent of the Company from 1 July 2011, the Company will pay 5% commission expenses on the transactions to JSX Trading. The commission paid to JSX Trading during the year was approximately RMB347,000 (2011: approximately RMB366,000).

The above related parties are controlled by Zhejiang Hengtai, the ultimate holding company of the Group.

(b) Compensation of key management personnel of the Group comprises 12 (2011: 12) directors and 3 (2011: 3) supervisors. Details of their remuneration are included in note 7 to the consolidated financial statements.

33. MAJOR NON-CASH TRANSACTION

During the year, certain legal and professional fee of approximately RMB1,055,000 (2011: approximately RMB1,280,000) paid by the immediate holding company on behalf of the Company was waived by the immediate holding company (note 26).

In September 2011, interests and penalty interests and legal costs in relation to the Underlying Bank Loan (note 25 (c)) of an aggregate amount of RMB5,065,000 (2012: Nil), was paid by the former controlling shareholder to the lender of the Underlying Bank Loan.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of the reporting period are as follows:

31 December 2012

Financial assets

	Loans and receivables	
	Group	**Company**
	RMB'000	*RMB'000*
Trade and bills receivables	**7,024**	**7,024**
Financial assets included in prepayments, deposits and other receivables	**607**	**576**
Due from fellow subsidiaries	**1,915**	**1,915**
Cash and bank balances	**12,726**	**9,328**
	22,272	**18,843**

Financial liabilities

	Financial liabilities at amortised cost	
	Group	**Company**
	RMB'000	*RMB'000*
Trade payables	**3,615**	**3,615**
Other payables and accruals	**4,526**	**3,847**
Due to immediate holding company	**1,800**	**1,800**
	9,941	**9,262**

34. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

31 December 2011

Financial assets

	Loans and receivables	
	Group	**Company**
	RMB'000	*RMB'000*
Trade and bills receivables	8,879	8,113
Financial assets included in prepayments, deposits and other receivables	145	143
Due from fellow subsidiaries	1,453	1,453
Cash and bank balances	6,756	4,958
	17,233	14,667

Financial liabilities

	Financial liabilities at amortised cost	
	Group	**Company**
	RMB'000	*RMB'000*
Trade payables	4,517	4,517
Other payables and accruals	4,179	3,893
Due to immediate holding company	1,800	1,800
	10,496	10,210

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments comprise cash and cash equivalents, trade and bills receivables, and trade payables which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group has no significant interest-bearing financial assets and liabilities with a floating interest rate. The Group's results and operating cash flows are substantially independent of changes in market interest rates.

Foreign currency risk

The Group does not have significant foreign currency risk arising from future commercial transactions and recognised financial assets and liabilities since almost all of them are denominated in Renminbi.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and amounts due from fellow subsidiaries, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The credit risk on liquid funds is limited because majority of the counterparties are banks of high credit quality and state-owned banks with good reputation in the PRC.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of other borrowings.

On 3 December 2010, the ultimate controlling shareholder and the immediate holding company have undertaken to provide to the Company an unsecured, interest-free shareholders' loan facility in the sum of not exceeding RMB50 million for a term of five years, extendable for further two years. As at 31 December 2012, RMB1,800,000 has been drawn down by the Company.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contracted undiscounted payments, is as follows:

31 December 2012		**Group**	
	On demand or no fixed repayment terms *RMB'000*	**1 to 5 years** *RMB'000*	**Total** *RMB'000*
Trade payables	**3,615**	**–**	**3,615**
Other payables and accruals	**4,526**	**–**	**4,526**
Due to immediate holding company	**–**	**1,800**	**1,800**
	8,141	**1,800**	**9,941**

31 December 2011			
	On demand or no fixed terms of repayment *RMB'000*	1 to 5 years *RMB'000*	Total *RMB'000*
Trade payables	4,517	–	4,517
Other payables and accrued expenses	4,179	–	4,179
Due to immediate holding company	–	1,800	1,800
	8,696	1,800	10,496

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

31 December 2012		**Company**	
	On demand or no fixed repayment terms *RMB'000*	**1 to 5 years** *RMB'000*	**Total** *RMB'000*
Trade payables	**3,615**	**–**	**3,615**
Other payables and accrued expenses	**3,847**	**–**	**3,847**
Due to immediate holding company	**–**	**1,800**	**1,800**
	7,462	**1,800**	**9,262**

31 December 2011			
	On demand or no fixed terms of repayment *RMB'000*	1 to 5 years *RMB'000*	Total *RMB'000*
Trade payables	4,517	–	4,517
Other payables and accrued expenses	3,893	–	3,893
Due to immediate holding company	–	1,800	1,800
	8,410	1,800	10,210

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders of issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2012 and 2011.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. Net debt includes trade payables, other payable and accruals and amount due to immediate holding company, less cash and cash equivalents. Capital includes equity attributable to owners of the Group. The gearing ratios as at the end of reporting periods were as follows:

	2012	2011
	RMB'000	*RMB'000*
		(Restated)
Trade payables	**3,615**	4,517
Other payables and accruals	**4,526**	4,179
Due to immediate holding company	**1,800**	1,800
Less: Cash and cash equivalents	**(12,726)**	(6,756)
Net (cash)/debt	**(2,785)**	3,740
Equity attributable to owners of the Company	**51,226**	44,717
Capital and net cash/debt	**48,441**	48,457
Gearing ratio	**N/A**	8%

36. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the consolidated financial statements, due to the adoption of the revised IFRSs during the current year, certain items and balances in the consolidated financial statements have been restated to reflect the prior year adjustments in compliance with the adoption of the revised standards. In addition, certain comparative amounts have been reclassified and restated to conform with the current year's presentation.

37. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 20 March 2013.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and restated/reclassified as appropriate, is set out below.

	2012	2011	2010	2009	2008
	RMB'000	*RMB'000* (Restated)	*RMB'000*	*RMB'000*	*RMB'000*
RESULTS					
REVENUE	**35,735**	38,506	21,362	20,365	31,604
Cost of sales	**(26,708)**	(28,728)	(19,992)	(19,323)	(30,890)
Gross profit	**9,027**	9,778	1,370	1,042	714
Other income and gains	**4,337**	1,974	5,464	12,519	1,704
Selling and distribution expenses	**(842)**	(843)	(357)	(212)	(1,313)
Administrative expenses	**(6,222)**	(7,753)	(7,141)	(5,872)	(6,424)
Finance costs	**–**	–	(803)	(509)	(523)
Write-off of trade receivables	**–**	–	–	(103)	(38)
(Provision)/reversal of impairment losses of loans receivable from former controlling shareholder	**–**	11,065	–	–	(1,009)
Gain on bargain purchase recognised in other income and gains in the consolidated statement of comprehensive income	**–**	861	–	–	–
Provisions for loss on financial guarantees	**–**	–	(190)	(670)	(882)
Reimbursement receivable for loss on financial guarantees	**–**	–	190	670	882
Reversal/(Provision) of impairment loss on reimbursement receivables for loss on financial guarantees	**–**	–	23,940	(670)	(697)
PROFIT/(LOSS) BEFORE TAX	**6,300**	15,082	22,473	6,195	(7,586)
Tax	**(514)**	(182)	–	–	–
PROFIT/(LOSS) FOR THE YEAR	**5,786**	14,900	22,473	6,195	(7,586)
Attributable to:					
Equity holders of the Group	**5,502**	14,799	22,473	6,195	(7,586)
ASSETS AND LIABILITIES					
TOTAL ASSETS	**66,880**	59,474	36,500	39,910	70,944
TOTAL LIABILITIES	**(15,102)**	(14,360)	(19,161)	(69,576)	(99,219)
	51,778	45,114	17,339	(29,666)	(28,275)

This summary does not form part of the audited consolidated financial statements.