Shanghai Qingpu Fire-Fighting Equipment Co., Ltd.*
上海青浦消防器材股份有限公司
(a joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 8115)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. (the "Company", together with its subsidiaries, the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

* *For the identification purpose only*

The Board hereby presents the audited consolidated final results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2022

	Notes	**2022** *RMB’000*	2021 *RMB’000*
Revenue	*4*	**62,198**	72,830
Cost of sales and services provided	*5*	**(45,289)**	(49,472)
Gross profit		**16,909**	23,358
Other income and gains	*4*	**4,327**	66,399
Selling and distribution expenses		**(3,301)**	(2,511)
Administrative expenses		**(10,350)**	(14,678)
Finance costs		**(426)**	(474)
Reversal of expected credit loss (“ECL”) allowance on trade receivables, net	*5*	**449**	583
Profit before tax	*3*	**7,608**	72,677
Income tax credit/(expense)	*6*	**1,558**	(6,036)
Profit for the year		**9,166**	66,641
Attributable to:			
Owners of the Company		**5,586**	59,750
Non-controlling interests		**3,580**	6,891
		9,166	66,641
EARNINGS PER SHARE	*7*		
Basic *(RMB cents)*		**2.98**	31.88
Diluted *(RMB cents)*		**2.98**	31.88

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2022

	2022	2021
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**9,166**	66,641
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**9,166**	66,641
Attributable to:		
Owners of the Company	**5,586**	59,750
Non-controlling interests	**3,580**	6,891
	9,166	66,641

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	**20,458**	20,493
Right-of-use assets		**1,215**	1,705
Goodwill		**4,211**	4,211
Intangible assets		**495**	675
Deposits and other receivables		**1,947**	2,108
Deferred tax assets		**1,215**	–
Total non-current assets		**29,541**	29,192
CURRENT ASSETS			
Inventories		**11,640**	12,518
Trade and bills receivables	10	**8,081**	5,610
Prepayments, deposits and other receivables		**1,749**	2,858
Due from a related company		**698**	716
Cash and cash equivalents		**129,640**	121,001
Total current assets		**151,808**	142,703
CURRENT LIABILITIES			
Trade payables	11	**5,750**	4,184
Other payables and accruals		**5,872**	5,877
Interest-bearing bank borrowings, secured	12	**897**	897
Lease liabilities		**707**	533
Due to immediate holding company	13	**906**	906
Due to non-controlling interests	13	**41**	41
Tax payables		**213**	124
Total current liabilities		**14,386**	12,562
NET CURRENT ASSETS		**137,422**	130,141
TOTAL ASSETS LESS CURRENT LIABILITIES		**166,963**	159,333

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings, secured	*12*	**6,056**	6,953
Lease liabilities		**824**	1,200
Deferred tax liabilities		**9,976**	11,159
Total non-current liabilities		**16,856**	19,312
Net assets		**150,107**	140,021
EQUITY			
Equity attributable to owners of the Company			
Paid-up capital	*14*	**18,743**	18,743
Reserves		**116,954**	110,874
		135,697	129,617
Non-controlling interests		**14,410**	10,404
Total equity		**150,107**	140,021

NOTES:

1. CORPORATE AND GROUP INFORMATION

Shanghai Qingpu Fire-Fighting Equipment Factory was transformed into a joint stock limited liability company in the People's Republic of China (the "PRC") on 1 December 2000 and was renamed as Shanghai Qingpu Fire-Fighting Equipment Co., Ltd. ("上海青浦消防器材股份有限公司") (the "Company"). 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.

The Company's H shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year, the Group's principal activities have not changed and consisted of the following:

- manufacture and sale of pressure vessels (including fire-fighting equipment products and pressure vessels products);
- sales of marine fire-fighting equipment and provision of related installation and inspection services;
- provision of fire technology inspection services;
- manufacture and sale of aquarium products;
- trading of other products; and
- lease of office building and industrial properties.

In the opinion of the directors (the "Directors") of the Company, 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"), 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"), a limited liability company established in the PRC.

Information about subsidiaries

Particulars of the subsidiaries of the Company are as follows:

Name	Place of establishment and business	Registered capital/paid-up 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 (The "PRC")	RMB5,000,000	90%	–	Provision of fire technology inspection services
上海鐵錨壓力容器(集團)有限公司*+ (Shanghai Anchor Pressure Vessel (Group) Limited) ("Anchor")	PRC	RMB70,000,000	90%	9%	Investment holding
上海元奉高壓容器有限公司*+ (Shanghai Yuanfeng Pressure Vessels Co., Limited) ("Yuanfeng")	PRC	RMB5,000,000	–	94.05%	Inactive
上海元蓬國際貿易有限公司*+ (Shanghai J.S.X. International Trading Corporation)	PRC	RMB5,000,000	–	94.05%	Trading of pressure vessels and other products
上海高壓特種氣瓶有限公司*@+ (Shanghai Pressure Special Gas Cylinder Co., Limited) ("Special Cylinder")	PRC	RMB19,170,000	–	59.4%	Lease of industrial properties
上海安航海上消防設備有限公司*+ (Shanghai An Hang Marine Fire-Fighting Equipment Co., Limited) ("Shanghai An Hang")	PRC	RMB5,000,000	90%	9%	Sales of marine fire-fighting equipment and provision of related installation and inspection services
上海荻野生物科技有限公司*+ (Shanghai Ogino Biotechnology Co., Limited) ("Shanghai Ogino")	PRC	RMB4,000,000	–	44.1%^	Manufacture and sale of aquarium products
寧波狄野生物科技有限公司*+ (Ningbo Ogino Biotechnology Co., Limited) ("Ningbo Ogino")	PRC	RMB1,000,000	–	44.1%^	Sales of aquarium products

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

\+ These subsidiaries are registered as limited liability companies in the PRC.

@ Pursuant to shareholders agreement, the profit of Special Cylinder would be shared by Anchor and the non-controlling interest (上海洋涇工業公司 (literally translated as "Shanghai Yangjing Industrial Co.")), at 54% and 46%, respectively.

^ The Company, through its non-wholly owned subsidiary, has a majority voting right in the board of directors of both of Shanghai Ogino and Ningbo Ogino so as to directly control its operating, financing and relevant activities through the respective board of directors. Shanghai Ogino and Ningbo Ogino are accounted for as subsidiaries of the Group by virtue of the Company's control over them.

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) promulgated by the International Accounting Standards Board ("IASB"). The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules") of the Stock Exchange. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which have been measured at fair value.

The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated. RMB is the Group'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 2022. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

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

2.2 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the consolidated financial statements.

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a contract
Annual Improvements to IFRSs 2018-2020	Amendments to IFRS 1, IFRS 9, IAS 41 and Illustrative Examples accompanying IFRS 16

The nature and the impact of the revised IFRSs that are applicable to the Group are described below:

Amendments to IFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting (the "Conceptual Framework") issued in June 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by IAS 2 Inventories, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. Prior to the initial application of the amendments, the Group included only incremental costs when determining whether a contract was onerous. In accordance with the transitional provisions, the Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and none of them was onerous. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

Annual Improvements to IFRSs 2018–2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

- IFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

Amendments to IFRS 10 and IAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[2]
IFRS 17	Insurance Contracts and the related Amendments[1, 5, 6]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current (the "2020 Amendments")[2, 4]
Amendments to IAS 1	Non-current Liabilities with Covenants (the "2022 Amendments")[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

[1] Effective for annual periods beginning on or after 1 January 2023
[2] Effective for annual periods beginning on or after 1 January 2024
[3] No mandatory effective date yet determined but available for adoption
[4] As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with not change in conclusion
[5] As a consequence of the amendments to IFRS 17 issued in October 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023
[6] An entity that choose to apply the transition option relating to the classification overlay set out in this amendment shall apply it on initial application of IFRS 17

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

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 10 and IAS 28 (2011) address an inconsistency between the requirements in IFRS 10 and in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 (2011) was removed by the IASB in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16 (i.e., 1 January 2019). Earlier application is permitted.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current clarify the requirements for classifying liabilities as current or non-current, in particular the determination over whether an entity has a right to defer settlement of the liabilities for at least 12 months after the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. In 2022, the IASB issued the 2022 Amendments to further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. In addition, the 2022 Amendments require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Earlier application is permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa.

Amendments to IAS 1 Disclosure of Accounting Policies require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to IFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently revisiting the accounting policy disclosures to ensure consistency with the amendments.

Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

Amendments to IAS 12 narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted.

The Group has applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group will recognise deferred tax for all temporary differences related to leases at the beginning of the earliest comparative period presented.

3. OPERATING SEGMENT INFORMATION

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

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

(ii) Aquarium products segment — manufacture and sale of aquarium products;

(iii) Marine fire-fighting equipment segment — sales of marine fire-fighting equipment and provision of related installation services;

(iv) Inspection services segment — provision of fire technology inspection services and marine fire-fighting equipment inspection services;

(v) Property investment segment — investment and lease of office building and industrial properties for rental income purpose; and

(vi) Trading segment — trading of other products.

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/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, gain on disposal of property, plant and equipment, gain on surrender of investment properties under land resumption, government grant, finance cost (other than interest on lease liabilities), and realised gains on financial assets at fair value through profit or loss as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude cash and cash equivalents, other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude amounts due to immediate holding company, non-controlling interests, secured interest-bearing bank borrowings, tax payables and deferred tax liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2022

	Fire-fighting equipment *RMB'000*	Aquarium products *RMB'000*	Marine fire-fighting equipment *RMB'000*	Inspection services *RMB'000*	Property investment *RMB'000*	Trading *RMB'000*	Total *RMB'000*
Segment revenue *(note 4)*:							
Sales/Services provided to external customers	20,418	24,937	4,912	6,463	–	–	56,730
Gross rental income	–	–	–	–	5,468	–	5,468
	20,418	24,937	4,912	6,463	5,468	–	62,198
Segments results	36	2,483	(1,061)	937	3,766	–	6,161
Interest income							172
Realised gains on financial assets at fair value through profit or loss							1,964
Finance cost (other than interest on lease liabilities)							(426)
Gain on surrender of investment properties under land resumption							–
Government grant							169
Corporate and unallocated income							778
Corporate and unallocated expenses							(1,210)
Profit before tax							7,608
Segment assets	12,513	27,164	6,821	2,083	3,018	125	51,724
Unallocated assets							129,625
Total assets							181,349
Segment liabilities	5,166	2,559	3,735	702	220	–	12,382
Unallocated liabilities							18,860
Total liabilities							31,242
Capital expenditure*	–	1,344	–	–	–	–	1,344
Reversal of provision for ECL allowance on trade receivables, net	(280)	–	(169)	–	–	–	(449)
Reversal of impairment of inventories	–	–	–	–	–	–	–
Write-off of property, plant and equipment	–	–	–	–	–	–	–
Write-off of other receivables	–	–	–	–	–	–	–
Depreciation and amortisation	363	1,131	–	353	190	–	2,037

* Capital expenditure consists of additions to property, plant and equipment and right-of-use assets.

Year ended 31 December 2021

	Fire-fighting equipment *RMB'000*	Aquarium products *RMB'000*	Marine fire-fighting equipment *RMB'000*	Inspection services *RMB'000*	Property investment *RMB'000*	Trading *RMB'000*	Total *RMB'000*
Segment revenue *(note 4)*:							
Sales/Services provided to external customers	17,939	30,790	8,075	9,329	–	–	66,133
Gross rental income	–	–	–	–	6,697	–	6,697
	17,939	30,790	8,075	9,329	6,697	–	72,830
Segments results	3,169	5,665	(898)	803	9,566	–	18,305
Interest income							146
Realised gains on financial assets at fair value through profit or loss							989
Finance cost (other than interest on lease liabilities)							(408)
Gain on surrender of investment properties under land resumption							53,827
Government grant							530
Corporate and unallocated income							609
Corporate and unallocated expenses							(1,321)
Profit before tax							72,677
Segment assets	10,838	27,707	7,283	2,650	2,306	125	50,909
Unallocated assets							120,986
Total assets							171,895
Segment liabilities	4,614	1,909	3,339	622	211	–	10,695
Unallocated liabilities							21,179
Total liabilities							31,874
Capital expenditure*	527	1,299	–	–	989	–	2,815
(Reversal of)/Provision for ECL allowance on trade receivables, net	(1,893)	–	1,310	–	–	–	(583)
Reversal of impairment of inventories	(669)	–	–	–	–	–	(669)
Write-off of property, plant and equipment	2,513	–	–	–	–	–	2,513
Write-off of other receivables	696	–	–	–	–	–	696
Depreciation and amortisation	417	351	–	355	191	–	1,314

* Capital expenditure consists of additions to property, plant and equipment and right-of-use assets.

Geographical information

(a) *Revenue from external customers*

	2022	2021
	RMB'000	*RMB'000*
The PRC	**43,800**	57,107
European countries	**13,949**	13,606
Other countries	**4,449**	2,117
	62,198	72,830

(b) *Non-current assets*

The Group operates principally in the PRC. Over 90% of the Group's assets are located in the PRC. Accordingly, no further geographical information of non-current assets was disclosed.

Information about major customers

Revenue from customers contributing over 10% of the total revenue are as follows:

	2022	2021
	RMB'000	*RMB'000*
Customer A*	**19,446**	27,978
Customer B**	**11,197**	7,814
	30,643	35,792

* Revenue from aquarium products segment.

** Revenue from fire-fighting equipment segment.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2022	2021
	RMB'000	*RMB'000*
Revenue from contracts with customers:		
Sales of pressure vessels	**20,418**	17,939
Sales of aquarium products	**24,937**	30,790
Sales of marine fire-fighting equipment	**4,912**	8,075
Inspection services fee	**6,463**	9,329
	56,730	66,133
Revenue from other sources:		
Gross rental income	**5,468**	6,697
	62,198	72,830

Other income and gains

	2022	2021
	RMB'000	*RMB'000*
Interest income	**167**	146
Realised gains on financial assets at fair value through profit or loss	**1,964**	989
Gain on disposal of property, plant and equipment	**43**	–
Gain on surrender of investment properties under land resumption	**–**	53,827
Gain on changes in fair value of investment properties	**–**	3,700
Government grant	**169**	530
Sales of scraps	**42**	34
Reversal of provision for litigations	**–**	2,000
Recovery of trade receivables previously write-off	**1,203**	–
Write-back of accruals and amount due to a related company	**–**	3,550
Reversal of provision for impairment of inventories	**–**	669
Others	**739**	954
Total other income and gains	**4,327**	66,399

5. PROFIT BEFORE TAX

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

	Notes	**2022** *RMB'000*	2021 *RMB'000*
Cost of inventories sold		**41,283**	41,917
Cost of services provided		**4,006**	7,555
		45,289	49,472
Depreciation of right-of-use assets		**490**	700
Amortisation of intangible assets*		**180**	180
Depreciation of property, plant and equipment	*9*	**1,367**	434
Auditor's remuneration:			
Assurance services		**947**	891
Other services		**13**	208
		960	1,099
Reversal of provision for impairment of inventories		**–**	(669)
Write-off of property, plant and equipment	*9*	**–**	2,513
Write-off of other receivables		**–**	696
Write-back of accruals and amount due to a related company		**–**	(3,550)
Reversal of provision for ECL allowance on trade receivables	*10*	**(449)**	(583)
Reversal of provision for litigations		**–**	(2,000)
Employee benefits expenses (including directors' and supervisors' remuneration)[#]:			
Wages and salaries		**6,971**	7,461
Pension scheme contributions		**826**	805
		7,797	8,266
Exchange (gains)/losses, net		**(254)**	61
Gain on disposal of property, plant and equipment	*4*	**(43)**	–
Gain on surrender of investment properties under land resumption		**–**	(53,827)
Gain on changes in fair value of investment properties	*4*	**–**	(3,700)
Recovery of trade receivables previously write-off		**1,203**	–
Interest income	*4*	**(167)**	(146)
Realised gains on financial assets at fair value through profit or loss	*4*	**(1,964)**	(989)

* The amortisation of intangible assets for the year are included in "administrative expenses" in the consolidated statement of profit or loss.

\# During the years ended 31 December 2021 and 2022, the Group had no forfeited contributions under its retirement benefit scheme in the PRC which may be used to reduce the existing level of contributions as described in Rule 18.34 of the GEM Listing Rules.

6. INCOME TAX CREDIT/(EXPENSE)

No provision for Hong Kong profits tax has been made as the Group has no assessable profits arising in Hong Kong during the year ended 31 December 2022 (2021: Nil).

According to the Announcement of the State Administration of Taxation on Issues Relating to Implementation of Inclusive Income Tax Relief Policy for Small Low-profit Enterprises, a lower corporate income tax ("CIT") rate is applicable to small scale enterprises with low profitability that meet certain conditions, pursuant to which, (i) the first RMB1,000,000 of assessable profits (the "1st Assessable Profits") of these subsidiaries are effective taxable at 2.5% (i.e. 20% CIT rate on 12.5% of the 1st Assessable Profits) (2021: 2.5% (i.e. 20% CIT rate on 12.5% of the 1st Assessable Profits)); and (ii) the remaining assessable profits not over RMB3,000,000 (the "Remaining Assessable Profits") are taxable at 5% (i.e. 20% CIT rate on 25% of the Remaining Assessable Profits) (2021: 10% (i.e. 20% CIT rate or 50% of the Remaining Assessable Profits). Certain of the Company's subsidiaries have been designated as a small scale enterprise.

Under the Corporate Income Tax Law, the CIT for other companies in the Group is calculated at a rate of 25% (2021: 25%) on the estimated assessable profits for the year ended 31 December 2022.

	2022	2021
	RMB'000	*RMB'000*
Current — the PRC:		
Charge for the year	**167**	512
Under-provision in prior year	**673**	15
	840	527
Deferred tax	**(2,398)**	5,509
Total tax credit/(charge) for the year	**(1,558)**	6,036

7. EARNINGS PER SHARE

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company of RMB5,586,000 (2021: RMB59,750,000) and the number of ordinary shares of 187,430,000 (2021: 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 2022 and 2021 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during these years.

8. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2022 (2021: Nil).

9. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Machinery *RMB'000*	Furniture, fixtures and computer equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
31 December 2022					
At 1 January 2022:					
Cost	**21,680**	**1,324**	**1,293**	**1,920**	**26,217**
Accumulated depreciation	**(1,964)**	**(1,114)**	**(927)**	**(1,719)**	**(5,724)**
Net carrying amount	**19,716**	**210**	**366**	**201**	**20,493**
At 1 January 2022, net of accumulated depreciation	**19,716**	**210**	**366**	**201**	**20,493**
Additions	**1,044**	**95**	**205**	**–**	**1,344**
Write-off	**–**	**–**	**–**	**–**	**–**
Disposals	**–**	**–**	**–**	**(12)**	**(12)**
Depreciation provided during the year *(note 5)*	**(1,118)**	**(62)**	**(147)**	**(40)**	**(1,367)**
At 31 December 2022, net of accumulated depreciation	**19,642**	**243**	**424**	**149**	**20,458**
At 31 December 2022:					
Cost	**22,724**	**1,163**	**1,455**	**892**	**26,234**
Accumulated depreciation	**(3,082)**	**(920)**	**(1,031)**	**(743)**	**(5,776)**
Net carrying amount	**19,642**	**243**	**424**	**149**	**20,458**

	Buildings *RMB'000*	Machinery *RMB'000*	Furniture, fixtures and computer equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
31 December 2021					
At 1 January 2021:					
Cost	10,231	4,260	2,206	2,081	18,778
Accumulated depreciation	(2,308)	(3,790)	(1,866)	(2,005)	(9,969)
Net carrying amount	7,923	470	340	76	8,809
At 1 January 2021, net of accumulated depreciation	7,923	470	340	76	8,809
Additions	14,116	108	246	173	14,643
Write-off	(2,094)	(306)	(106)	(7)	(2,513)
Disposals	–	–	–	(12)	(12)
Depreciation provided during the year *(note 5)*	(229)	(62)	(114)	(29)	(434)
At 31 December 2021, net of accumulated depreciation	19,716	210	366	201	20,493
At 31 December 2021:					
Cost	21,680	1,324	1,293	1,920	26,217
Accumulated depreciation	(1,964)	(1,114)	(927)	(1,719)	(5,724)
Net carrying amount	19,716	210	366	201	20,493

Note:

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

As at 31 December 2022, the Group has not obtained the property ownership certificate for the buildings with carrying amount of RMB14,223,000 from the relevant PRC government authorities. In the opinion of the Directors, the absence of formal title to the buildings does not impair its value to the Group as the Group has paid in full purchase consideration and the probability of being evicted on the ground of an absence of formal title is remote. The buildings have been pledged to a bank to secure the interest-bearing bank borrowings (note 12).

10. TRADE AND BILLS RECEIVABLES

	2022	2021
	RMB'000	*RMB'000*
Trade receivables	**9,346**	7,696
Less: Allowance for expected credit losses	**(1,684)**	(2,133)
	7,662	5,563
Bills receivables	**419**	47
	8,081	5,610

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally two to three months, extending up to half year for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aging analysis of the trade and bills receivables as at the end of reporting period, based on the invoice date, is as follows:

	2022	2021
	RMB'000	*RMB'000*
Within 1 month	**5,729**	1,208
1 to 2 months	**833**	1,477
2 to 3 months	**10**	894
3 to 6 months	**1,207**	1,090
6 to 12 months	**245**	881
Over 1 year	**57**	60
	8,081	5,610

The movements in the allowance for expected credit losses on trade receivables are as follows:

	2022	2021
	RMB'000	*RMB'000*
At 1 January	**2,133**	2,716
Reversal of provision for ECL allowance *(note 5)*	**(449)**	(583)
At 31 December	**1,684**	2,133

11. TRADE PAYABLES

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

	2022	2021
	RMB'000	*RMB'000*
Within 1 month	**2,220**	1,154
1 to 2 months	**1,131**	832
2 to 3 months	**190**	88
Over 3 months	**2,209**	2,110
	5,750	4,184

12. INTEREST-BEARING BANK BORROWINGS, SECURED

	Effective interest rate	**Maturity year**	**2022** ***RMB'000***	2021 *RMB'000*
Bank borrowings *(note (a))*	Loan prime rate +0.25%	2030	**6,953**	7,850
Less: Bank borrowings classified as current portion			**(897)**	(897)
Bank borrowings classified as non-current portion			**6,056**	6,953
Analysed into:				
Bank borrowings repayable:				
Within one year			**897**	897
In the second year			**897**	897
In the third to fifth years, inclusive			**2,691**	2,691
Over five years			**2,468**	3,365
			6,953	7,850

Note (a):

On 25 September 2020, the Group entered into certain loan agreements (the "Loan Agreements") with a state-owned bank (the "Bank") in the PRC, pursuant to which, the Group was granted six loans (the "Loans") by the Bank with an aggregate principal amount of RMB8,971,700 for a term of 10 years for the settlement of part of the consideration for the acquisition of six properties (the "Tian Yi Properties") from an independent third party (the "Developer"). The Loans are secured by (i) corporate guarantees given by the Developer, which will be released upon the completion and the transfer of the Tian Yi Properties to the Group; and (ii) pledge of the Tian Yi Properties. The Loans bear interest at loan prime rate of the National Interbank Funding Center (全國銀行間同業拆借中心) plus 0.25% per annum and are repayable by 120 monthly installments since September 2020.

13. DUE TO IMMEDIATE HOLDING COMPANY AND NON-CONTROLLING INTERESTS

The amounts due to immediate holding company and non-controlling interests are unsecured, interest-free and have no fixed terms of repayment.

As at 31 December 2022, the immediate holding company, Liancheng, has undertaken to provide to the Company with an unsecured interest-free shareholder's loan facility in the sum of not exceeding RMB50 million (the "Facility") for the period expiring on 30 May 2024 (2021: 30 May 2023). As at 31 December 2022 and 2021, none of the Facility has been drawn down.

14. PAID UP CAPITAL

	2022	2021
	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 shares ("H Shares") of RMB0.10 each	**5,556**	5,556
	18,743	18,743

15. COMMITMENTS

The Group did not have any significant commitments as at the end of the reporting period.

16. LITIGATIONS

The Group did not have any significant litigation as at the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

REVENUE

For the year ended 31 December 2022, the Group recorded a revenue of approximately RMB62,198,000 (year ended 31 December 2021: RMB72,830,000), representing an decrease of approximately 14.60% over last year mainly because of prevention and control of the Coronavirus Disease 2019 ("COVID-19") being taken place during which most of the business activities have been suspended for over two months.

GROSS PROFIT

For the year ended 31 December 2022, the Group recorded overall gross profit of approximately RMB16,909,000 (year ended 31 December 2021: RMB23,358,000). The gross profit ratio decreased by 4 percentage points from approximately 32% for the year ended 31 December 2021 to approximately 28% for the year ended 31 December 2022. This decrease was because several high profit margin contracts had not yet been carried out due to COVID-19.

OTHER INCOME AND GAINS

Other income and gains decreased from approximately RMB66,399,000 for the year ended 31 December 2021 to approximately RMB4,327,000 for the year ended 31 December 2022 mainly due to there was a gain on surrender of investment properties under land resumption being recognized for the year ended 31 December 2021.

SELLING AND DISTRIBUTION EXPENSES

For the year ended 31 December 2022, the Group's selling and distribution expenses increased to approximately RMB3,301,000 from RMB2,511,000, representing an increase of approximately 32%. This was mainly due to the increase in salaries and depreciation during the year.

ADMINISTRATIVE EXPENSES

For the year ended 31 December 2022, the Group's administrative expenses amounted to approximately RMB10,350,000, (year ended 31 December 2021: approximately RMB14,678,000), representing a decrease of approximately 30%. This was mainly due to there were property, plant and equipment and other receivables being written-off during the year ended 31 December 2021.

FINANCE COSTS

Finance costs for the year ended 31 December 2022 amounted to RMB426,000 (year ended 31 December 2021: RMB474,000), representing a decrease of approximately 10%. The finance costs mainly comprised of interest expenses of bank borrowings for partial finance the payment of consideration for acquisition of a production plant.

INCOME TAX

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year (2021: Nil).

According to the Announcement of the State Administration of Taxation on Issues Relating to Implementation of Inclusive Income Tax Relief Policy for Small Low-profit Enterprises, a lower corporate income tax ("CIT") rate is applicable to small scale enterprises with low profitability that meet certain conditions, pursuant to which, (i) the first RMB1,000,000 of assessable profits (the "1st Assessable Profits") of these subsidiaries is effective taxable at 2.5% (i.e. 20% CIT rate on 12.5% of the 1st Assessable Profits) (2021: 2.5% (i.e. 20% CIT rate on 12.5% of the 1st Assessable Profits)); and (ii) the remaining assessable profits not over RMB3,000,000 (the "Remaining Assessable Profits") is taxable at 5% (i.e. 20% CIT rate on the 25% of the Remaining Assessable Profits) (2021: 10% (i.e. 20% CIT rate on the 50% of the Remaining Assessable Profits). Certain of the Company's subsidiaries have been designated as a small-scale enterprise.

Under the Corporate Income Tax Law, the CIT for other companies in the Group is calculated at a rate of 25% (2021: 25%) on the Group's estimated assessable profits for the year ended 31 December 2022.

Tax credit of the Group was provided at 20% for the year ended 31 December 2022 (effective tax rate for the year ended 31 December 2021: 8%). It was mainly due to the utilisation of certain tax loss brought forward from prior periods to offset the assessable profits generated during the year and discharge of deferred tax liabilities and recognise of deferred tax assets.

NON-CONTROLLING INTERESTS

For the year ended 31 December 2022, profit for the year attributable to non-controlling interests amounted to approximately RMB3,594,000 (year ended 31 December 2021: RMB6,891,000).

PROFIT ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

For the year ended 31 December 2022, the Group recorded profit for the year attributable to the owners of the Company of approximately RMB5,586,000 (year ended 31 December 2021: RMB59,750,000). The decrease was primarily attributable to the gain on surrender of investment properties under land resumption for the year ended 31 December 2021.

NET CURRENT ASSETS

As at 31 December 2022, the Group had current assets of approximately RMB150,107,000, based on which, the current ratio was 10.6 (31 December 2021: 11.4). The decrease was mainly caused by the increase in cash and cash equivalents and trade and bills receivables as a result of cash inflow from operating activities. The current liabilities increased from RMB12,562,000 as at 31 December 2021 to RMB14,386,000 as at 31 December 2022 mainly attributable to the increase in trade payables. Current assets as at 31 December 2022 mainly comprised of inventories of approximately RMB11,640,000 (31 December 2021: RMB12,518,000), trade and bills receivables of approximately RMB8,081,000 (31 December 2021: RMB5,610,000), prepayments, deposits and other receivables of approximately RMB1,749,000 (31 December 2021: RMB2,858,000) and cash and cash equivalents of approximately RMB129,640,000 (31 December 2021: RMB121,001,000). The inventories turnover days for the year was 94 days (31 December 2021: 93 days). The increase was mainly because of the decrease in inventories level of aquarium products. Trade and bills receivables increased by 44% mainly because of more sales incurred near the year ended 31 December 2022 as compared to year ended 31 December 2021. Current liabilities mainly comprised of trade payables of approximately RMB5,750,000 (31 December 2021: RMB4,184,000), the increase was due to the continuing increase in production of fire-fighting equipment. Other payables and accruals decreased by 0.1% to approximately RMB5,872,000 (31 December 2021: RMB5,877,000) which is stable.

GEARING RATIO

The Group's gearing ratio as at 31 December 2022 was 21% (31 December 2021: 23%), which is expressed as a percentage of the total liabilities divided by the total equity. The decrease in gearing ratio was mainly due to the decrease in interest-bearing bank borrowings, secured, deferred tax liabilities and the increase in total equity as a result of profit during the year.

CHARGE ON ASSETS OF THE GROUP

As detailed in note 12 to this announcement, the interest-bearing bank borrowings are pledged by the Tian Yi Properties, with carrying amount of RMB14,223,000 as at 31 December 2022.

COMMITMENTS

There were no significant commitments at 31 December 2022.

CONTINGENT LIABILITIES

There were no significant contingent liabilities at 31 December 2022.

LITIGATIONS

There were no significant litigation at 31 December 2022.

CAPITAL STRUCTURE AND FINANCIAL RESOURCES

As at 31 December 2022, the Group had net assets of approximately RMB150,107,000 (31 December 2021: RMB140,021,000). The Group's operations are financed principally by internal sources, secured interest-bearing bank borrowings and shareholders' equity.

As at 31 December 2022, the immediate holding company, Liancheng, has undertaken to provide to the Company with an unsecured interest-free shareholder's loan facility in the sum of not exceeding RMB50 million (the "Facility") for the period expiring on 30 May 2024 (2021: 30 May 2023). As at 31 December 2022 and 2021, none of the Facility has been drawn down.

EMPLOYEES

As at 31 December 2022, the Group had 90 employees (2021: 90 employees). The number of employees for 2022 is the same as 2021. 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.

BUSINESS REVIEW

The Group's fire extinguisher products cover three categories, carbon dioxide, water-based, and dry powder. The wide product range offered by the Group can meet the diversified needs of the customers. In addition, the Group's fire extinguishers for non-marine use are granted the Certificate for Product Type Approval by the China Certification Center for Fire Products and its fire extinguishers for marine use are granted the Certificates of Type Approval by the China Classification Society, Shanghai Branch. The Group's pressure cylinders have obtained the manufacture licence in the PRC and they meet the quality standards or requirements of the United States of America and the European Union.

Since the COVID-19 outbreak, the PRC has been actively working to prevent and control its spread. Our Group has been cooperating with the government in this effort while also taking measures to minimize economic losses. Unfortunately, during the year ended 31 December 2022, Shanghai City was locked down for over two months which resulted in a suspension of our business activities there. This had an adverse effect on our company's results for that period. However, as business activities have resumed and picked up in the second half of the Year, we are pleased to report that we have achieved a profitable and sustainable result.

PROSPECT

The Company's directors are optimistic about the PRC economy's steady recovery from the global COVID-19 outbreak, as restrictions are lifted worldwide. The Company will also carefully consider developing and acquiring profitable enterprises in accordance with relevant laws and regulations to accelerate profitability growth, aiming to become a major player in manufacturing, selling fire-fighting equipment, and providing fire-fighting services in the PRC.

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 PRC which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

EQUITY-LINKED AGREEMENT

No equity-linked agreement was entered by the Company during the year.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

Pursuant to Rule 18.44(2) and Appendix 15 of the GEM Listing Rules, the Company wishes to state that it has complied with all code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in the Appendix 15 of the GEM Listing Rules during the year.

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company has set up an audit committee. 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 audit committee for the year 2022 comprises of Yang Chun Bao, Wang Guo Zhong and Song Zi Zhang, who are independent non-executive Directors. Yang Chun Bao possess appropriate professional qualification and financial experience.

The audit committee has reviewed the Group's audited consolidated financial statement for the year ended 31 December 2022.

SCOPE OF WORK OF AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2022 have been agreed by the Group's auditor, Ascenda Cachet CPA Limited ("Ascenda Cachet"), to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2022. The work performed by Ascenda Cachet in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Ascenda Cachet on the preliminary announcement.

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

Shanghai, 23 March 2023

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited (the "GEM") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at http://www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.shanghaiqingpu.com.