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 2023

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 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2023

	Notes	**2023** **RMB’000**	2022 *RMB’000*
Revenue	*4*	**74,137**	62,198
Cost of sales and services provided	*5*	**(52,587)**	(45,289)
Gross profit		**21,550**	16,909
Other income and gains	*4*	**4,950**	4,327
Selling and distribution expenses		**(3,096)**	(3,301)
Administrative expenses		**(11,291)**	(10,350)
Finance costs		**(368)**	(426)
Reversal of provision for expected credit loss (“ECL”) allowance on trade receivables, net	*5*	**1,410**	449
Profit before tax	*5*	**13,155**	7,608
Income tax (expense)/credit	*6*	**(1,678)**	1,558
Profit for the year		**11,477**	9,166
Attributable to:			
Owners of the Company		**8,521**	5,586
Non-controlling interests		**2,956**	3,580
		11,477	9,166
EARNINGS PER SHARE	*7*		
Basic *(RMB cents)*		**4.55**	2.98
Diluted *(RMB cents)*		**4.55**	2.98

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	2023	2022
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**11,477**	9,166
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**11,477**	9,166
Attributable to:		
Owners of the Company	**8,521**	5,586
Non-controlling interests	**2,956**	3,580
	11,477	9,166

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	Notes	**2023** *RMB'000*	2022 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**19,030**	20,458
Right-of-use assets		**1,436**	1,215
Goodwill		**4,211**	4,211
Intangible asset		**315**	495
Deposits and other receivables		**1,786**	1,947
Deferred tax assets		**100**	1,215
Total non-current assets		**26,878**	29,541
CURRENT ASSETS			
Inventories		**8,490**	11,640
Trade and bills receivables	*10*	**10,231**	8,081
Prepayments, deposits and other receivables		**4,226**	1,749
Due from a related company		**698**	698
Cash and cash equivalents		**143,391**	129,640
Total current assets		**167,036**	151,808
CURRENT LIABILITIES			
Trade payables	*11*	**7,425**	5,750
Other payables and accruals		**4,677**	5,872
Interest-bearing bank borrowings, secured	*12*	**–**	897
Lease liabilities		**805**	707
Due to immediate holding company	*13*	**906**	906
Due to non-controlling interests	*13*	**41**	41
Tax payables		**121**	213
Total current liabilities		**13,975**	14,386
NET CURRENT ASSETS		**153,061**	137,422
TOTAL ASSETS LESS CURRENT LIABILITIES		**179,939**	166,963

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings, secured	12	**5,790**	6,056
Lease liabilities		**960**	824
Deferred tax liabilities		**10,165**	9,976
Total non-current liabilities		**16,915**	16,856
Net assets		**163,024**	150,107
EQUITY			
Equity attributable to owners of the Company			
Paid-up capital	14	**18,743**	18,743
Reserves		**126,469**	116,954
		145,212	135,697
Non-controlling interests		**17,812**	14,410
Total equity		**163,024**	150,107

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")	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
寧波荻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 2023. 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).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has 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 the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve and recognises the fair value of any investment retained and 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.

IFRS 17	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules

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

(a) Amendments to IAS 1 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 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2 to the consolidated financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

(b) 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. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's consolidated financial statements.

(c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* 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.

Prior to the initial application of these amendments, the Group 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. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022. Upon initial application of these amendments, the Group recognised (i) a deferred asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with the right-of-use assets at 1 January 2022, with cumulative effect recognised as an adjustment to the balances of retained profits and non-controlling interests at that date.

Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately. However, the Group consider that (i) the related deferred tax arising from right-of-use assets and lease liabilities qualify for offset under IAS 12, and (ii) the net deferred tax balances are not material to the consolidated financial statements and did not recognise as deferred tax assets as at initial application of the amendments and as at 31 December 2023.

(d) Amendments to IAS 12 International Tax Reform — Pillar Two Model Rules introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not early adopted the following revised IFRSs that have been issued but are not yet effective, in these consolidated financial statements. The Group intends to apply these revised IFRSs if applicable, when they become effective.

Amendments to IFRS 10 and IAS 28	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[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current (the "2020 Amendments")[1, 4]
Amendments to IAS 1	Non-current Liabilities with Covenants (the "2022 Amendments")[1, 4]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	Lack of Exchangeability[2]

[1] Effective for annual periods beginning on or after 1 January 2024
[2] Effective for annual periods beginning on or after 1 January 2025
[3] No mandatory effective date yet determined but available for adoption
[4] As a consequence of the 2020 Amendments and 2022 Amendments, International 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 no change in conclusion

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 address an inconsistency between the requirements in IFRS 10 and in IAS 28 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 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 was removed. 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.

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that is a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instrument, and that only of a conversion option in a convertible liability is itself accounted for as an equity instrument would be the terms of a liability not impact its classification. The 2022 Amendments 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. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments shall be applied retrospectively with early application permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa.

Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application.

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, 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 2023

	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 5)*:							
Sales/Services provided to external customers	23,447	27,315	9,580	6,796	–	–	67,138
Gross rental income	–	–	–	–	6,999	–	6,999
Total segment revenue	23,447	27,315	9,580	6,796	6,999	–	74,137
Segments results	53	2,927	1,763	1,600	5,010	–	11,353
Interest income							299
Realised gains on financial assets at fair value through profit or loss							2,625
Finance cost (other than interest on lease liabilities)							(293)
Government grant							393
Corporate and unallocated income							309
Corporate and unallocated expenses							(1,531)
Profit before tax							13,155
Segment assets	13,664	23,995	9,282	1,927	1,669	–	50,537
Unallocated assets							143,377
Total assets							193,914
Segment liabilities	4,114	2,050	4,362	1,001	2,236	–	13,763
Unallocated liabilities							17,127
Total liabilities							30,890
Capital expenditure*	1,213	264	–	–	–	–	1,477
Reversal of provision for ECL allowance on trade receivables, net	–	–	(1,410)	–	–	–	(1,410)
Write-off of property, plant and equipment	–	–	662	–	–	–	662
Depreciation and amortisation	694	1,017	–	351	–	–	2,062

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

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 5)*:							
Sales/Services provided to external customers	20,418	24,937	4,912	6,463	–	–	56,730
Gross rental income	–	–	–	–	5,468	–	5,468
Total segment revenue	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)
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)
Write-off of property, plant and equipment	–	–	–	–	–	–	–
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.

Geographical information

(a) Revenue from external customers

	2023	2022
	RMB'000	*RMB'000*
The PRC	**53,390**	43,800
European countries	**18,357**	13,949
Other countries	**2,390**	4,449
Total	**74,137**	62,198

(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:

	2023	2022
	RMB'000	*RMB'000*
Customer A*	**23,374**	19,446
Customer B**	**15,968**	11,197
Total	**39,342**	30,643

* Revenue from aquarium products segment.

** Revenue from fire-fighting equipment segment.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers:		
Sales of pressure vessels	**23,447**	20,418
Sales of aquarium products	**27,315**	24,937
Sales of marine fire-fighting equipment	**9,580**	4,912
Inspection services fee	**6,796**	6,463
	67,138	56,730
Revenue from other sources:		
Gross rental income	**6,999**	5,468
Total revenue	**74,137**	62,198

Other income and gains

	2023	2022
	RMB'000	*RMB'000*
Interest income	**299**	167
Realised gains on financial assets at fair value through profit or loss	**2,625**	1,964
Gain on disposal of property, plant and equipment	**–**	43
Government grant*	**393**	169
Sales of scraps	**18**	42
Recovery of trade receivables previously written-off	**1,150**	1,203
Exchange gain, net	**129**	254
Others	**336**	485
Total other income and gains	**4,950**	4,327

* The Group received unconditional government grant of RMB393,000 (2022: RMB169,000) for the years in respect of subsidies for supporting enterprises development and demolition of factory buildings, etc. There were no unfulfilled conditions or contingencies attaching to these government subsidies.

5. PROFIT BEFORE TAX

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

	Notes	2023 RMB'000	2022 RMB'000
Cost of inventories sold		**46,368**	40,363
Cost of services provided		**4,379**	4,006
Cost of rental income		**1,840**	920
		52,587	45,289
Depreciation of right-of-use assets		**631**	490
Amortisation of intangible assets*		**180**	180
Depreciation of property, plant and equipment	*9*	**1,250**	1,367
Auditor's remuneration:			
Assurance services		**967**	947
Other services		**13**	13
		980	960
Write-off of property, plant and equipment	*9*	**662**	–
Reversal of provision for ECL allowance on trade receivables	*10*	**(1,410)**	(449)
Employee benefits expenses (including directors' and supervisors' remuneration)#:			
Wages and salaries		**8,079**	7,101
Social security contributions		**1,279**	826
		9,358	7,927
Exchange gains, net		**(129)**	(254)
Gain on disposal of property, plant and equipment	*4*	**–**	(43)
Recovery of trade receivables previously write-off		**(1,150)**	(1,203)
Interest income	*4*	**(299)**	(167)
Realised gains on financial assets at fair value through profit or loss	*4*	**(2,625)**	(1,964)

* 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 2022 and 2023, 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 EXPENSE/(CREDIT)

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 2023 (2022: Nil).

According to the relevant announcements of income tax relief policy for small low-profit enterprises issued by the State Administration of Taxation, a lower corporate income tax ("CIT") rate is applicable to small scale enterprises with low profitability that meet certain conditions, pursuant to which, the subsidiaries qualified as small scale enterprises with assessable profits not over RMB3,000,000 are effectively taxable at 5% (i.e. 20% CIT rate on the 25% of the assessable profits) for the year ended 31 December 2023. For the year ended 31 December 2022, (i) the first RMB1,000,000 of assessable profits (the "1st Assessable Profits") of these subsidiaries were effectively taxable at 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") were taxable at 5% (i.e. 20% CIT rate on the 25% of the Remaining Assessable Profits). Certain of the Company's subsidiaries have been designated as a small scale enterprises.

Under the Corporate Income Tax Law, the CIT for other companies in the Group is calculated at a rate of 25% (2022: 25%) on the estimated assessable profits for the year ended 31 December 2023.

	2023	2022
	RMB'000	*RMB'000*
Current — the PRC:		
Charge for the year	**374**	167
Under-provision in prior year	**–**	673
	374	840
Deferred tax	**1,304**	(2,398)
Total tax charge/(credit) for the year	**1,678**	(1,558)

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

	2023		2022	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**13,155**		7,608	
Tax at statutory tax rate at 25%	**3,288**	**25**	1,902	25
Effect of concessionary tax rates	**(1,489)**	**(11)**	(1,140)	(15)
Tax effect of expenses not deductible	**470**	**4**	309	4
Tax effect of income not taxable	**(4)**	**–**	(40)	–
Tax effect of tax losses and temporary differences not recognised/(utilised)	**(587)**	**(5)**	(2,123)	(28)
Tax effect of recognition of tax losses and temporary differences previously not recognised	**–**	**–**	(1,139)	(15)
Under-provision in prior year	**–**	**–**	673	9
Tax charge/(credit) at the Group's effective tax rate	**1,678**	**13**	(1,558)	(20)

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 RMB8,521,000 (2022: RMB5,586,000) and the number of ordinary shares of 187,430,000 (2022: 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 2023 and 2022 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 2023 (2022: 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 2023					
At 1 January 2023:					
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**
At 1 January 2023, net of accumulated depreciation	**19,642**	**243**	**424**	**149**	**20,458**
Additions	**–**	**293**	**191**	**–**	**484**
Write-off	**(662)**	**–**	**–**	**–**	**(662)**
Depreciation provided during the year *(note 5)*	**(968)**	**(66)**	**(182)**	**(34)**	**(1,250)**
At 31 December 2023, net of accumulated depreciation	**18,012**	**470**	**433**	**115**	**19,030**
At 31 December 2023:					
Cost	**22,019**	**1,456**	**1,646**	**892**	**26,013**
Accumulated depreciation	**(4,007)**	**(986)**	**(1,213)**	**(777)**	**(6,983)**
Net carrying amount	**18,012**	**470**	**433**	**115**	**19,030**

	Buildings	Machinery	Furniture, fixtures and computer equipment	Motor vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*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

Note:

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

Certain of the buildings with net carrying amount of approximately RMB8,270,000 (2022: RMB14,223,000) have been pledged to a bank to secure the interest-bearing bank borrowings (note 12).

10. TRADE AND BILLS RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**10,505**	9,346
Less: Allowance for expected credit losses	**(274)**	(1,684)
Subtotal	**10,231**	7,662
Bills receivables	**–**	419
Total	**10,231**	8,081

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:

	2023	2022
	RMB'000	*RMB'000*
Within 1 month	**4,490**	5,729
1 to 2 months	**1,069**	833
2 to 3 months	**987**	10
3 to 6 months	**2,337**	1,207
6 to 12 months	**1,211**	245
Over 1 year	**137**	57
	10,231	8,081

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

	2023	2022
	RMB'000	*RMB'000*
At 1 January	**1,684**	2,133
Reversal of provision for ECL allowance *(note* 5*)*	**(1,410)**	(449)
At 31 December	**274**	1,684

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:

	2023	2022
	RMB'000	*RMB'000*
Within 1 month	**3,297**	2,220
1 to 2 months	**724**	1,131
2 to 3 months	**540**	190
Over 3 months	**2,864**	2,209
	7,425	5,750

12. INTEREST-BEARING BANK BORROWINGS, SECURED

	Effective interest rate	**Maturity year**	**2023** ***RMB'000***	2022 *RMB'000*
Bank borrowings *(note (a))*	Loan prime rate +0.25%	2030	**–**	6,953
Bank borrowings *(note (b))*	Loan prime rate +0.40%	2026	**5,790**	–
Less: Bank borrowings classified as current portion			**–**	(897)
Bank borrowings classified as non-current portion			**5,790**	6,056
Analysed into:				
Bank borrowings repayable:				
Within one year			**–**	897
In the second year			**–**	897
In the third to fifth years, inclusive			**5,790**	2,691
Over five years			**–**	2,468
			5,790	6,953

Note (a):

On 25 September 2020, the Group entered into certain loan agreements with a state-owned bank ("Bank A") in the PRC, pursuant to which, the Group was granted six loans ("Loans A") by Bank A 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"). Loans A were 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. Loans A bore 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 were repayable by 120 monthly installments since September 2020. Loans A were fully repaid during the year ended 31 December 2023 with the pledge of Tian Yi Properties to Bank A being released.

Note (b):

On 12 December 2023, the Group entered into four banking facilities with another state-owned bank ("Bank B") in the PRC, pursuant to which Bank B granted four revolving facilities with aggregate amount of RMB8,276,000 to the Group for 5 years until 11 December 2028. On 15 December 2023, four loans ("Loans B") with aggregate principal amount of RMB5,790,000 were drawn down by the group for a term of 3 years. The banking facilities are secured by the pledge of four of the Tian Yi Properties with a carrying amount of approximately RMB8,270,000 as at 31 December 2023. Loans B bear interest at loan prime rate of the National Interbank Funding Center (全國銀行間同業拆借中心) plus 0.40% per annum and are repayable on 14 December 2026.

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

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 2023, 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 2025 (2022: 30 May 2024). As at 31 December 2023 and 2022, none of the Facility has been drawn down.

14. PAID UP CAPITAL

	2023	2022
	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. CONTINGENT LIABILITIES

There were no significant contingent liabilities at 31 December 2023.

17. 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 2023, the Group recorded a revenue of approximately RMB74,137,000 (year ended 31 December 2022: RMB62,198,000), representing an increase of approximately 19% over the last year mainly because of the increase in sales of pressure vessels, aquarium products and marine fire-fighting equipment as Shanghai City, where the office and factories of the Group are located, was under mandatory lockdown during April 2022 to May 2022, which led to lower sales for the year ended 31 December 2022.

GROSS PROFIT

For the year ended 31 December 2023, the Group recorded an overall gross profit of approximately RMB21,550,000 (year ended 31 December 2022: RMB16,909,000). The gross profit ratio was approximately 29%, which is stable comparing to approximately 27% for the year ended 31 December 2022.

OTHER INCOME AND GAINS

Other income and gains increased from approximately RMB4,327,000 for the year ended 31 December 2022 to approximately RMB4,950,000 for the year ended 31 December 2023 mainly due to the increase in realised gains on financial assets at fair value through profit or loss.

SELLING AND DISTRIBUTION EXPENSES

For the year ended 31 December 2023, the Group's selling and distribution expenses was decreased to approximately RMB3,096,000 from RMB3,301,000, representing a decrease of approximately 6%. This was mainly due to the decrease in the transportation cost and depreciation cost during the year 2023.

ADMINISTRATIVE EXPENSES

For the year ended 31 December 2023, the Group's administrative expenses amounted to approximately RMB11,291,000, (year ended 31 December 2022: approximately RMB10,350,000), representing an increase of 9% comparing to the year ended 31 December 2022. The increase in administrative expenses was mainly due to the increase in general administrative expenses for operation purpose.

FINANCE COSTS

Finance costs for the year ended 31 December 2023 amounted to RMB368,000 (year ended 31 December 2022: RMB426,000), representing a decrease of approximately 14%. The finance costs mainly comprised of interest expenses for the bank borrowings. The decrease in finance costs was in line with the decrease in the outstanding principal of the bank borrowings during the year.

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 (2022: Nil).

According to the relevant announcements of income tax relief policy for small low-profit enterprises issued by the State Administration of Taxation, a lower corporate income tax ("CIT") rate is applicable to small scale enterprises with low profitability that meet certain conditions, pursuant to which, the subsidiaries qualified as small scale enterprises with assessable profits not over RMB3,000,000 are effectively taxable at 5% (i.e. 20% CIT rate on the 25% of the assessable profits) for the year ended 31 December 2023. For the year ended 31 December 2022, (i) the first RMB1,000,000 of assessable profits (the "1st Assessable Profits") of these subsidiaries were effectively taxable at 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") were taxable at 5% (i.e. 20% CIT rate on the 25% of the Remaining Assessable Profits). Certain of the Company's subsidiaries have been designated as a small scale enterprises.

Under the Corporate Income Tax Law, the CIT for other companies in the Group is calculated at a rate of 25% (2022: 25%) on the respective companies' estimated assessable profits for the year ended 31 December 2023.

NON-CONTROLLING INTERESTS

For the year ended 31 December 2023, profit for the year attributable to non-controlling interests is approximately RMB2,956,000 (year ended 31 December 2022: RMB3,580,000).

PROFIT ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

For the year ended 31 December 2023, the Group recorded profit for the year attributable to the owners of the Company of approximately RMB8,521,000 (year ended 31 December 2022: RMB5,586,000). The increase was primarily attributable to the increase in revenue.

NET CURRENT ASSETS

As at 31 December 2023, the Group had current assets of approximately RMB167,036,000, based on which, the current ratio was 11.9 (31 December 2022: 10.6). The increase was mainly caused by the increase in cash and cash equivalents as a result of cash inflow from operating activities. The current liabilities decreased from RMB14,386,000 as at 31 December 2022 to RMB13,975,000 as at 31 December 2023 mainly attributable to the decrease in other payables and accruals. Current assets as at 31 December 2023 mainly comprised of inventories of approximately RMB8,490,000 (31 December 2022: RMB11,640,000), trade and bills receivables of approximately RMB10,231,000 (31 December 2022: RMB8,081,000), prepayments, deposits and other receivables of approximately RMB4,226,000 (31 December 2022: RMB1,749,000) and cash and cash equivalents of approximately RMB143,391,000 (31 December 2022: RMB129,640,000). The inventories turnover days for the year was 61 days (31 December 2022: 96 days). The decrease was mainly because of the decrease in inventories level of aquarium products. Trade and bills receivables increased by 27% mainly due to two months slowing down sales because of the Covid-19 impact during the year 2022, which did not occur any more during the year 2023. Current liabilities mainly comprised of trade payables of approximately RMB7,425,000 (31 December 2022: RMB5,750,000), the increase was due to the increase in sales of marine fire-fighting equipment. Other payables and accruals decreased by 20% to approximately RMB4,677,000 (31 December 2022: RMB5,872,000) mainly due to the decrease in advances from customers.

GEARING RATIO

The Group's gearing ratio as at 31 December 2023 was 20% (31 December 2022: 21%), which is expressed as a percentage of the total liabilities divided by the total equity. The gearing ratio was stable comparing to the year ended 31 December 2022.

CHARGE ON ASSETS OF THE GROUP

As detailed in note 12 to this announcement, the interest-bearing bank borrowings are secured by the pledge of four of the Tian Yi Properties, with carrying amount of RMB8,270,000 as at 31 December 2023.

COMMITMENTS

There were no significant commitments at 31 December 2023.

CONTINGENT LIABILITIES

There were no significant contingent liabilities at 31 December 2023.

LITIGATIONS

There were no significant litigation at 31 December 2023.

CAPITAL STRUCTURE AND FINANCIAL RESOURCES

As at 31 December 2023, the Group had net assets of approximately RMB163,024,000 (31 December 2022: RMB150,107,000). The Group's operations are financed principally by internal sources, secured interest-bearing bank borrowings and shareholders' equity.

As at 31 December 2023, 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 2025 (2022: 30 May 2024). As at 31 December 2023 and 2022, none of the Facility has been drawn down.

EMPLOYEES

As at 31 December 2023, the Group had 84 employees (2022: 90 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.

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 manufacturing of fire extinguishers are granted with 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 most COVID-19 restrictions were lifted in 2023, there was a growing demand for pressure cylinders across various industries such as manufacturing, healthcare, and energy, providing ample opportunities for the Group to generate more sales as compared to the year ended 31 December 2022.

PROSPECT

The Company's directors believe that the prospects of the PRC economy could be promising in 2024, despite the challenging economic conditions experienced in 2023. It is crucial to take into account the potential for recovery and growth that may arise. The Company plans to explore opportunities for developing and acquiring profitable businesses. This strategy aims to enhance profitability and establish a significant presence in the manufacturing, selling, and provision of fire-fighting equipment and services in the People's Republic of China.

SHARE CAPITAL

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

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

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 2023 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 result for the year ended 31 December 2023.

SCOPE OF WORK OF AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2023 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 2023. 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, 22 March 2024

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.