



北人印刷機械股份有限公司 BEIREN PRINTING MACHINERY HOLDINGS LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 187)

THE FIRST QUARTERLY REPORT OF 2004

IMPORTANT

The Board of Directors of the Company hereby confirms that there are no false representations, misleading statements or material omissions contained in this report. The financial report of the Company for this quarter has not been audited. This quarterly report is prepared in accordance with the regulations on Disclosure of Information in Quarterly Reports for Listed Companies by the China Securities Regulatory Commission. The information in this Report is the same as that published by the Shanghai Stock Exchange, and this Report is published simultaneously in Shanghai and Hong Kong. All financial information set out in this quarterly report has been prepared in accordance with PRC accounting standards. Shareholders of the Company and public investors should be aware of the risks of investment when trading in shares.

This announcement is made pursuant to the disclosure obligation under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. IMPORTANT NOTICE

- The Board of Directors and the Directors of the Company confirmed that the information in this announcement does not contain any false information, misleading statements or material omissions, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the content.
- The financial report for this quarter has not been audited.
- Mr Zhu Wuan, the Chairman, Mr Wang Guohua, the General Manager and Mr Bai Fan, the Manager of finance department, have declared that they are responsible for the truthfulness and completeness of the financial statements in this quarterly report.
- This announcement will be published in ["Shanghai Securities Daily"], "The Standard" (English version) and "Hong Kong Economic Times" (Chinese version).

2. BASIC INFORMATION OF THE COMPANY

2.1 Basic information

Short form of the Company's listed shares	A shares Beiren Shares	H shares Beiren Printing
Stock code	600860	187
	Secretary to the Board of Directors	Representative for securities affairs
Name	Rong Peimin	
Correspondence address	No. 44 Guangqu Road South, Chaoyang District, Beijing, PRC	
Telephone number	010-67802565	
Facsimile number	010-67802570	
E-mail address	beirengf@beirengf.com	

2.2 Financial information

2.2.1 Principal accounting data and financial indicators

	As at the end of the reporting period	As at the end of the previous reporting period	Unit: Rmb	
			Increase or decrease as at the end of the reporting period as compared with 31 December 2003 (%)	
Total assets	2,074,920,169.41	1,893,148,599.68		9.60
Shareholders' equity (after minority interest)	1,230,327,049.29	1,202,616,644.46		2.30
Net asset value per share	2.92	2.85		2.46
Adjusted net asset value per share	2.86	2.81		1.78
	During the reporting period	From the beginning of the year to the end of the reporting period	Increase or decrease as compared with the same period last year (%)	
Net cash flow from operating activities	-44,994,675.03	-44,994,675.03		-125.58
Earnings per share	0.066	0.066		32.00
Return on net assets	2.25	2.25		22.95
Return on net assets after extraordinary items	2.32	2.32		27.47
Extraordinary items			Amount	
Non-operating revenue				1,187,508.27
Non-operating expenses				2,153,356.72
Income tax effect				144,877.27
Total				820,971.18

2.2.2 Profit and loss account

Item	Consolidated		The Holding Company	
	Jan-Mar 2004	Jan-Mar 2003	Jan-Mar 2004	Jan-Mar 2003
1. Principal operating income	198,463,752.77	185,081,121.51	146,037,236.42	129,813,537.43
Less: Operating cost	126,892,904.91	123,681,602.63	90,566,221.16	83,952,936.45
Sales tax and surcharge	1,168,367.37	1,202,793.72	946,952.08	830,545.85
2. Profit from principal operations (Loss is indicated by a "-") sign)	70,402,480.49	60,196,725.16	54,524,063.18	45,030,055.13
Add: Profit from other operations (Loss is indicated by a "-") sign)	578,401.73	-307,271.95	597,232.33	-149,247.08
Less: Selling expenses	8,922,510.43	6,241,493.80	3,869,903.46	3,610,581.36
Administrative expenses	26,319,527.82	25,792,989.16	17,230,652.50	16,664,533.90
Finance costs	1,909,406.69	2,910,991.56	717,662.71	1,626,198.85
3. Operating profit (Loss is indicated by a "-") sign)	33,829,437.28	24,943,978.69	33,303,076.84	22,979,493.94
Add: Investment income (Loss is indicated by a "-") sign)	-176,186.20	-47,940.69	604,693.90	1,371,247.95
Subsidy income	0.00	85,000.00	0.00	0.00
Non-operating income	1,187,508.27	159,136.64	1,075,714.39	46,972.00
Less: Non-operating expenses	2,153,356.72	57,531.78	2,223,732.54	27,714.00
4. Total profit (Loss is indicated by a "-") sign)	32,687,402.63	25,082,642.86	32,759,752.59	24,369,999.89
Less: Income tax	4,940,026.31	3,600,579.23	4,909,996.78	3,448,359.38
Less: Minority interests	36,971.49	560,423.12	0.00	0.00
5. Net profit for the year (Loss is indicated by a "-") sign)	27,710,404.83	20,921,640.51	27,849,755.81	20,921,640.51

- 2.3 During the reporting period, the total number of shareholders was 38,859, of which 38,748 shareholders were holding A Shares of the Company and 111 shareholders were holding H Shares of the Company.

3. MANAGEMENT DISCUSSION AND ANALYSIS

3.1 Brief analysis on the overall operations during the reporting period

- ☒ Applicable ☐ Not applicable

During the reporting period, the Company's production operation was able to continuously maintain a steady development momentum. In the fourth quarter, the Company realised an income from principal operations of Rmb19,846,750,000 and a net profit of Rmb2,771,040,000, representing an increase of 7.23% and 32.45% respectively over the same period last year.

3.1.1 Principal operations and products accounting for more than 10% of income from principal operations and profit from principal operations of the Company

Products	Income from principal operations	Costs of principal operations	Unit: Rmb	
			Gross profit margin (%)	
Sale of flat paper printers	76,905,647.48	48,961,780.95		36.34
Sale of rolling paper printers	42,046,427.34	29,516,288.11		29.80
Sale of intrusion printers	36,636,488.68	28,681,087.00		21.71
Sale of form-printing machines	16,394,854.46	13,219,233.23		19.37
Printing business	6,324,905.56	4,150,719.71		34.37
of which the following are connected transactions:				
Sale of flat paper printers	13,606,324.79	8,661,786.36		36.34
Sale of rolling paper printers	6,657,538.46	4,673,592.00		29.80

3.1.2 Seasonal and cyclical operations of the Company

- ☐ Applicable ☒ Not applicable

3.1.3 Profit structure during the reporting period (significant changes in percentages of profit from principal operations, profit from other operations, expenses for the period, investment income, subsidy income and non-operating net income to the total profit compared to those of the previous report and explanation on reasons for such changes)

- ☐ Applicable ☒ Not applicable

3.1.4 Significant changes in principal operations and their structure compared to those of the previous report and explanation on reasons for such changes

- ☐ Applicable ☒ Not applicable

3.1.5 Analysis of the reasons for material changes in the profitability (gross profit margin) of the principal operations compared to those of the previous report

- ☐ Applicable ☒ Not applicable

3.2 Analysis on the material matters and their effects and solutions

- ☐ Applicable ☒ Not applicable

3.3 Changes in accounting policies, accounting estimates and scope of consolidation and material accounting errors and explanation on reasons

- ☐ Applicable ☒ Not applicable

3.4 Explanation of the board of directors and the supervisory committee on the accounting firm's "non-standard comments"

- ☐ Applicable ☒ Not applicable

3.5 Warning and explanation on reasons for accumulated net loss expected to be recorded from the beginning of the year to the end of the next reporting period and material changes as compared to those of the same period last year

- ☐ Applicable ☒ Not applicable

3.6 Retained adjustment of the Company's operating plan or budgeting for the new year which have been disclosed

- ☐ Applicable ☒ Not applicable

The Board of Directors
Beiren Printing Machinery Holdings Limited

29 April 2004

ANNOUNCEMENT OF RESOLUTIONS PASSED AT THE SIXTEENTH MEETING OF THE FOURTH BOARD OF DIRECTORS

Beiren Printing Machinery Holdings Limited (the "Company") held a meeting its Board of Directors (the "Board") at the Company's Conference Room 6203, 2nd Floor on 29 April 2004. There were 10 directors who should attend the meeting and all the 10 directors attended the meeting. All the three supervisors were present at the meeting. The meeting was presided by the Chairman, Mr. Zhu Wuan. This complied with the provisions of the Company Law and the Company's Articles of Association. The following resolutions were considered and approved at the meeting:

- The first Quarterly Report of 2004 was considered and approved.
- The granting of a general mandate for issue of new shares was considered and approved and is proposed to be approved by special resolution at the 2003 Annual General Meeting.

The Board agreed on the motion by a shareholder Beiren Group Corporation to propose a special resolution at the Annual General Meeting, subject to in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Company Law of the PRC and other applicable rules and regulations of the PRC and subject to the approval being obtained from the relevant authorities of the PRC, authorizing the Board to issue new overseas listed foreign shares ("H Share") of RMB1 each, which shall be not exceeding 20% of the total number of H Shares in issue within 12 months from the date of passing of the special resolution; and such mandate shall remain in effect for 12 months or until revoked or varied by a special resolution passed at a general meeting, and approving the Board to exercise all the powers to allot and issue new H Shares on such terms and conditions as the Board may determine, the authority of the Board shall include (without limitation):

- the full power to deal with the matters in relation to all the applications in respect of the issue of new shares;
- the determination of the number of new shares to be allotted or issued and their issue price;
- the determination of the opening and the closing dates for the issue of new shares;
- the determination of the number of new shares (if applicable) to be issued to the existing shareholders;
- the making or grant of offers, agreements and options which might require in the exercise of such powers;
- the making of amendments to the Articles of Association of the Company accordingly and doing all the relevant matters and acts;
- the handling of any other matters in relation to the issue of new shares.

This resolution will be proposed at the 2003 Annual General Meeting for consideration and approval by shareholders by way of special resolution.

Board of Directors
Beiren Printing Machinery Holdings Limited

29 April 2004