



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 2005

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(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1 IMPORTANT NOTICE

- 1.1 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.
- 1.2 Directors of the Company were all present in the Board meeting.
- 1.3 The financial report for this quarter has not been audited.
- 1.4 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.

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	Rong Peimin	
Correspondence address	No. 6 Rong Chang Dong Street, Economic and Technological Development Zone, 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 the end of the previous reporting period (%)
Total assets	2,099,445,506.36	2,019,421,955.06	3.96
Shareholders' equity (after minority interest)	1,283,958,604.07	1,265,422,331.87	1.46
Net asset value per share	3.04	3.00	1.33
Adjusted net asset value per share	3.00	2.81	6.76
	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	-40,610,991.86	-40,610,991.86	9.74
Earnings per share	0.044	0.044	-33.33
Return on net assets (%)	1.44	1.44	-36.00
Return on net assets after extraordinary items (%)	1.39	1.39	-40.09
Extraordinary items			Amount
Other non-operating incomes and expenses, net of provision for impairment of assets			831,691.18
Income tax effect			124,753.68
Total			706,937.50

2.2.2 Profit and loss account

Item	No	Unit: Rmb Unaudited			
		.During the reporting period		During the same period	
		(January -March)		last year(January -March)	
		Consolidated	The Holding Company	Consolidated	The Holding Company
1. Principal operating income		216,348,066.76	150,477,862.01	198,463,752.77	146,037,236.42
Less: Operating cost		156,456,753.89	106,006,425.40	126,892,904.91	90,566,221.16
Sales tax and surcharge		1,171,027.49	813,446.03	1,168,367.37	946,952.08
2. Profit from principal operations (Loss is indicated by a “-” sign)		58,720,285.38	43,657,990.58	70,402,480.49	54,524,063.18
Add: Profit from other operations (Loss is indicated by a “-” sign)		34,792.33	-126,400.71	578,401.73	597,232.33
Less: Selling expenses		7,439,429.51	4,452,664.23	8,922,510.43	3,869,903.46
Administrative expenses		26,944,678.89	17,442,182.60	26,319,527.82	17,230,652.50
Finance costs		2,866,168.71	1,632,408.61	1,909,406.69	717,662.71
3. Operating profit (Loss is indicated by a “-” sign)		21,504,800.60	20,004,334.43	33,829,437.28	33,303,076.84
Add: Investment income (Loss is indicated by a “-” sign)		-138,176.66	1,554,509.15	-176,186.20	604,693.90
Subsidy income		—	—	—	—
Non-operating income		857,724.09	225,261.99	1,187,508.27	1,075,714.39
Less: Non-operating expenses		26,032.91	18,230.03	2,153,356.72	2,223,732.54
4. Total profit (Loss is indicated by a “-” sign)		22,198,315.12	21,765,875.54	32,687,402.63	32,759,752.59
Less: Income tax		3,474,777.85	3,229,603.34	4,940,026.31	4,909,996.78
Less: Minority interests		187,265.07	—	36,971.49	—
5. Net profit for the year (Loss is indicated by a “-” sign)		18,536,272.20	18,536,272.20	27,710,404.83	27,849,755.81

2.3 Number of shareholder at the end of the period and shareholdings of the top ten shareholders of circulating shares

		Unit: Share
The total number of shareholders of the Company at the end of the reporting period (no. of holders)	37,077 shareholders (including 36,966 holders of A Shares, 111 holders of H shares)	

Shareholdings of the top ten shareholders of circulating shares

Name of shareholders (full name)	Number of shares held at the end of the period	Type of shares (A,B, H shares or others)
HKSCC NOMINEES LIMITED	97,301,199	H shares
HSBC NOMINEES (HONG KONG) LIMITED	702,000	H shares
浩鴻房產	650,000	A shares
HUI KAU YU	400,000	H shares
WONG CHUNG KING	298,000	H shares
KWAN KAN ON	228,000	H shares
蘇兆利達	180,000	A shares
張思甜	177,265	A shares
陳延征	176,040	A shares
王倩倩	155,111	A shares

3. MANAGEMENT DISCUSSION AND ANALYSIS

3.1 Brief analysis on the overall operations during the reporting period

During the reporting period, the Company earnestly implemented its management systems and strengthened the marketing and sales. The Company achieved an income from principal operations of Rmb216,348,100 and a net profit of Rmb18,536,300 during the reporting period.

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

☒ Applicable ☐ Not applicable

	Income from principal operations	Unit: Rmb	Unaudited
Products	Cost of principal operations	Gross profit margin (%)	
Sale of flat paper printers	76,444,857.79	56,272,946.01	26.39
Sale of rolling paper printers	66,456,614.25	41,153,915.64	38.07
Sale of intrusion printers	41,095,292.13	33,178,581.14	19.26
Sale of form-printing machines	16,460,373.98	13,371,321.01	18.77
Printing business	6,658,546.61	4,267,398.14	35.91
of which: connected transactions	323,000.00	237,768.27	26.39

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

An year-on-year decrease in profit from principal operations was mainly attributable to:

- (1) the year-on-year increase in the cost as a result of the increasing prices of raw materials (steel products, casting and non-ferrous metals) in 2004 together with extension of increasing prices to product cost arising from long production period of products;

- (2) the temporary impact of insufficient production scale on gross profit margin resulting from the adjustment to product mix that the Company began to reduce the production and sale volumes of ordinary products in 2005 in line with the strengthened promotion and sales of new flat paper printers and high-end products.

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 year which have been disclosed

☐ Applicable ☒ Not applicable

The Company name: Beiren Printing Machinery Holdings Limited

Legal representative

Zhu Wuan

26 April 2005

Beijing, the People's Republic of China

As at the date of the announcement, the Company's directors comprise Mr. Zhu Wuan, Mr. Lu Changan, Mr. Wang Guohua, Mr. Pang Liandong, Mr. Yu Baogui, Ms. Rong Peimin, Mr. Qi Shenglin, Ms. Li Yijing*, Mr. Zhou Xiaoming*, Mr. Wu Hongzuo* and Mr. Wu Wenxiang*.

* *Independent non-executive directors*