



北人
BEIREN

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)

2007 FIRST QUARTERLY REPORT

1. IMPORTANT NOTES

- 1.1 The board of directors (the “Board”), the Supervisory Committee and the directors (the “Directors”), supervisors and senior management of Beiren Printing Machinery Holdings Limited (the “Company”) warrant that there are no false representations or misleading statements contained in or material omission from this report and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the contents herein contained.
- 1.2 Eleven Directors are eligible to attend the meeting and ten of them attended the meeting in person. Mr. Zhu Wuan was not able to attend the meeting due to prior engagement in business affairs, and appointed Mr. Wang Guohua, the Chairman, to exercise voting rights at the meeting on his behalf.
- 1.3 The first quarterly financial report of the Company is unaudited.
- 1.4 Mr. Wang Guohua, the legal representative of the Company, Mr. Zhang Peiwu, the General Manager, and Mr. Jiang Jianming, the person-in-charge for accounting, have declared that they guarantee the truthfulness and completeness of the financial statements contained in the quarterly report.

2. COMPANY PROFILE

2.1 Major financial information and financial indicators

	<i>Unit: Rmb</i>		
	As at the end of the reporting period	As at the end of last year	Increase (decrease) from the end of last year (%)
Total assets (<i>Rmb</i>)	2,205,511,366.54	2,141,876,484.98	2.97
Shareholders' equity (excluding: minority interests) (<i>Rmb</i>)	1,198,459,220.89	1,200,150,204.48	-0.14
Net assets per share (<i>Rmb</i>)	2.840	2.844	-0.14

	From the beginning of the year to the end of the reporting period	Increase/(decrease) as compared with the corresponding period of the previous year (%)
Net cash flow from operating activities (<i>Rmb</i>)	29,934,855.96	442.84
Net cash flow from operating activities per share (<i>Rmb</i>)	0.07	433.33
During the reporting period		

	From the beginning of the year to the end of the reporting period	Increase/decrease from the corresponding period of last year (%)
Net profit (Rmb)	-1,690,983.60	-153.67
Basic earnings per share (Rmb)	-0.004	-150.00
Diluted earnings per share (Rmb)	-0.004	-150.00
Return on net assets (%)	-0.14	a decrease of 0.41 percentage points
Return on net assets after extraordinary profit and loss (%)	-0.22	a decrease of 0.58 percentage points

	Amount from the beginning of the year to the end of the reporting period
Extraordinary items	
Other non-operating incomes and expenses except the items above, net	1,119,275.23
Income tax effect	-167,891.28
Total	951,383.95

2.2 Total number of shareholders and top 10 holders of listed shares not subject to trading moratorium as at the end of the reporting period (after completion of share reform plan)

Unit :share

Total number of shareholders at the end of the reporting period	34,590
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Particulars of top ten holders of shares not subject to trading moratorium

Name of Shareholder (full name)	Number of listed shares not subject to trading moratorium held as at the end of the reporting period	Class of shares
KSCC NOMINEES LIMITED	97,755,199	Overseas listed foreign shares
HSBC NOMINEES (HONG KONG) LIMITED	702,000	Overseas listed foreign shares
Fang De Xin Property (「方德信置業」)	579,700	Ordinary shares denominated in RMB
HUI KAU YU	400,000	Overseas listed foreign shares
LI GUI LAN	380,000	Ordinary shares denominated in RMB
ZOU JING	275,000	Ordinary shares denominated in RMB
RI XIN SECURITIES	250,049	Ordinary shares denominated in RMB
SHENG WEI	230,000	Ordinary shares denominated in RMB
CHEN YIN	224,120	Ordinary shares denominated in RMB
ZHOU MIN	208,424	Ordinary shares denominated in RMB

3. SIGNIFICANT EVENT

3.1 Significant changes in items in the principal accounting statement and financial indicators and the reasons therefor

☒ Applicable ☐ Not applicable

1. Explanations on material changes in items of balance sheet at the end of reporting period as compared with those of the beginning of reporting period.

Item	31 March 2007	31 December 2006	Increase /decrease (%)
Cash and cash balances	124,350,895.97	82,861,309.46	50.07
Bills receivable	7,368,372.06	11,883,778.28	-38.00
Prepayment	7,498,811.89	11,747,539.66	-36.17
Construction in progress	74,537,414.94	40,989,014.69	81.85
Bills payable	63,399,317.61	39,819,924.47	59.22
Remunerations payable			
to employees	19,005,093.84	12,626,759.80	50.51
Tax payable	19,433,355.65	14,122,617.32	37.60

Cash and cash balances increased by 50.7% as compared with the end of last year, mainly attributable to the increased collection of trade receivables.

Bills receivable decreased by 38% as compared with the end of last year, mainly due to the decreased acceptance of bills receivable in order to strengthen the collection of the receivables.

Construction in progress increased 81.65% over the end of last year, mainly attributable to the increased construction for the new plant of Shaanxi Beiren, the subsidiaries of the Company.

The Company issued more acceptance bills to the suppliers by making use of financial instruments of banks so as to reduce finance cost. As a result, the bills payable increased by 59.22% as compared with the end of last year.

Remunerations payable to employees increased by 50.51% as compared with the end of last year, mainly attributable to the change in accounting treatment after adoption of new accounting standards.

Tax payable increased by 37.6% as compared with the end of last year, principally resulting from the increased outstanding amount of tax payable.

2. Explanations on material changes in items of income statement at the end of reporting period as compared with the corresponding period of last year.

Item	31 March 2007	31March 2006	Increase /decrease (%)
Distribution expenses	13,830,517.28	9,839,071.04	40.57
Net income from investment	-2,180,853.69	352,680.55	-660.52
Non-operating income	1,343,432.07	102,910.51	1,205.44
Non-operating expense	224,156.84	1,762,914.11	-87.28
Total profit	-1,836,222.09	3,520,694.24	-146.36

Distribution expenses increased by 40.57% as compared with the corresponding period of last year, primarily due to a change in accounting treatment of installation and testing fee and salaries.

Net income from investment decreased by 660.52% as compared with the corresponding period of last year, mainly attributable to the loss from the newly established associate company last year.

Net non-operating expense increased by 167.42% as compared with the corresponding period of last year, mainly resulting from the increased removal compensation for Haimen Beiren Fuji Printing Machinery Co., Ltd., the subsidiary of the Company.

Total profit decreased by 146.36% as compared with the corresponding period of last year, mainly attributable to the increased expenses and decreased income from investment.

3. Explanations on material changes in items of income statement at the end of reporting period as compared with the corresponding period of last year.

Item	31March 2007	31March 2006	Increase /decrease (%)
Net cash flow from operating activities	29,934,855.96	-8,731,309.82	442.84
Net cash flow from financing activities	24,312,362.15	34,282,248.26	-29.08

Net cash flow from operating activities increased by 442.84% as compared with the corresponding period of last year, mainly due to decrease in capital used by inventories and reduction in procurement.

Net cash flow from financing activities decreased by 29.08% as compared with the corresponding period of last year, mainly due to the decreased bank loan.

3.2 Note and analysis of significant events progress and their impact and solution

☐ Applicable ☒ Not applicable

3.3 Performance of undertakings by the Company, shareholders and beneficial controller

☒ Applicable ☐ Not applicable

The sole holder of non-circulating shares of the Company undertakes: it will not trade or transfer the non-circulating shares held by it within 12 months from the date of implementation of the Share Segregation Reform Proposal; within 12 and 24 months, subsequent to the aforesaid period, the number of the originally non-circulating shares subsequently listed for trading on the stock exchange will not exceed 5 per cent and 10 per cent, respectively, of the total number of shares of the Company; within the aforesaid period, the selling price of such shares subsequently listed on the stock exchange will not be lower than 110% (RMB4.29/share) of the weighted average price of 30 trading days before the announcement of the Share Segregation Reform Proposal. Any dividend payment, bonus issue and capital reserve fund conversion to share capital that constituted to the suspension of trading rights and dividend from the date of implementation of the Share Segregation Reform Proposal till the disposal of shares shall be subject to the suspension of the trading rights. During the reporting period, the sole holder of non-circulating shares of the Company has strictly performed the undertakings it made in the course of the share segregation reform.

3.4 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 or material change as compared to those of the same period of last year

☐ Applicable ☒ Not applicable

3.5 Explanations on reasons for the differences of shareholders' fund as at 1 January 2007 between those set out in the balance sheet of this quarterly report and those set out in Reconciliation Statement of Difference in Shareholders' Fund Under New and Old Standards:

☐ Applicable ☒ Not applicable

Beiren Printing Machinery Holdings Limited
Wang Guohua
Legal representative

26 April 2007

As at the date of the announcement, the Company's directors comprise Mr. Wang Guohua, Mr. Lu Changan, Mr. Zhu Wuan, Mr. Yu Baogui, Mr. Jiang Jianming, Mr. Yang Zhendong, Mr. Deng Gang, Ms. Li Yijing, Mr. Shi Tiantao*, Mr. Wu Hongzuo* and Mr. Wu Wenxiang*.*

** Independent non-executive director*