



北人印刷機械股份有限公司

BEIREN PRINTING MACHINERY HOLDINGS LIMITED

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

(Stock Code: 187)

2007 THIRD QUARTERLY REPORT

This announcement is published simultaneously in Shanghai and Hong Kong. This announcement is published domestically pursuant to the Rules Governing Listing of Stocks on Shanghai Stock Exchange, and in Hong Kong pursuant to the disclosure obligations under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. IMPORTANT NOTICES

- 1.1 The board of directors of the Company, supervisory committee and the directors, supervisors and senior management warrant that this report does not contain any false information, misleading statements or material omission and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the contents herein contained.
- 1.2 All Directors of the Company attended the Board meeting.
- 1.3 The financial statements of the third quarterly report have not been audited.
- 1.4 Mr. Wang Guohua, the Chairman, Mr. Zhang Peiwu, the General Manager, and Mr. Jiang Jianming, Head of the Finance Department, have declared that they guarantee the truthfulness and completeness of the financial statements contained in this quarterly report.

2. BASIC INFORMATION OF THE COMPANY

Major accounting data and financial indices

Unit: RMB

	As at the end of the reporting period	For the end of the period last year	Increase or decrease as at the end of the reporting period as compared with the end of the period last year (%)
Total assets (RMB)	2,221,701,791.74	2,130,944,519.93	4.26
Shareholders' equity interest (Excluding minority interest) (RMB)	1,162,402,897.43	1,150,500,212.42	1.03
Net assets per share (RMB)	2.755	2.726	1.06
	From the beginning of the year to the end of the reporting period (From January to September)	Increase or decrease as compared with the corresponding period last year (%)	
Net cash flow from operating activities (RMB)	2,128,340.36	-95.73	
Net cash flow per share from operating activities	0.005	-95.76	

		From the beginning of the year to the end of the reporting period (From January to September)	Increase or decrease as at the reporting period as compared with the corresponding period last year (%)
Net profit(RMB)	-371,619.96	10,849,605.00	-41.12
Basic earnings per share (RMB)	-0.001	0.026	-40.91
Basic earnings per share after extraordinary items (RMB)	-0.004	0.019	-51.28
Diluted earnings per share (RMB)	-0.001	0.026	-40.91
Return on net assets (%)	-0.03	0.93	Decrease by 0.58 percentage points
Return on net assets after extraordinary items (%)	-0.15	0.67	Decrease by 0.66 percentage points
Extraordinary items		Amount from the beginning of the year to the end of the reporting period (From January to September) (RMB)	
Profit and loss from disposal of non-current assets			77,144.16
Other non-operating income save for the above			4,480,106.24
Reversal of provision for impairment for previous years			305,350.00
Impact on income tax			-641,090.78
Impact on minority interest from other extraordinary items			-1,194,468.83
Total			3,027,040.79

2.2 Total number of shareholders and shareholding of top ten shareholders of circulating shares not subject to trading moratorium at the end of reporting period

Unit: Rmb

Total number of shareholders at the end of the reporting period	24,591 (including: 24,504 A share holders, 87 H share holders)
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Shareholding of top ten shareholders of circulating shares not subject to trading moratorium

Name of shareholder (Full name)	Number of circulating shares not subject to trading moratorium held at the end of the period	Class of shares
HKSCC NOMINEES LIMITED	97,537,199	Overseas listed foreign shares
Beiren Group Corporation	21,100,000	Renminbi ordinary shares
CHOI CHOI FAT	1,500,000	Overseas listed foreign shares
Wang Xinfei	741,899	Renminbi ordinary shares
Xie Xuhong	686,800	Renminbi ordinary shares
Su Guorong	666,860	Renminbi ordinary shares
Wang Xinglin	646,000	Renminbi ordinary shares
Yang Guangyu	620,300	Renminbi ordinary shares
Huang Yuqun	542,904	Renminbi ordinary shares
Wang Yongfen	530,000	Renminbi ordinary shares

3. Significant Events

3.1 Details and reasons for material changes in items of major accounting statement and financial indicators of the Company

☒ Applicable ☐ Not Applicable

Accounts receivables increased by 32.15% over the beginning of the year, mainly as a result of increase in the credit limit to expand its market share for the multi-colour machinery and large-scale newspaper press (tower press) and sharpen its market competitiveness with imported similar products, while the bank factoring of accounts receivable also increased over the beginning of the year.

Other accounts receivables increased by 35.84% over the beginning of the year, mainly as a result of the increase in other accounts receivables in subsidiaries.

Deferred income tax asset increased by 38.58% over the beginning of the year, mainly as a result of the increase in deferred income tax asset for the period.

Taxes payables decreased by 75.71%, mainly as a result of the decrease in income tax payable was arising from the offsetting the loss from previous years.

Operating profit decreased by 71.54% over the same period last year, which led to a decrease by 37.47% in net profit as compared with the corresponding period last year, out of which operating income and operating cost posted a year-on-year increase of 8.5% and 9.03% respectively; Expenses for the period increased by 10.47% over the same period last year, mainly due to the increase in interest for bank borrowings and distribution costs; loss on impairment of assets increased by 982.24% over the same period last year, mainly due to the increase in provision for diminution in value of inventories and provision for bad debts, investment income decreased by 733.34% over the same period last year, mainly due to the substantial decrease in the income from associated companies.

Net non-operating income and expenses increased by 458.89% over the same period last year, mainly due to the disposal of non-current assets, income from relocation compensation, default fine received during the year.

3.2 The progress and impact of significant events and the analysis and explanation for the solutions

☒ Applicable ☐ Not Applicable

During the reporting period, the Company did not receive any notice from the tax authority about requesting the Company to adjust income tax, the Company therefore still implemented the income tax at a rate of 15% during the reporting period.

3.3 Status of fulfillment of commitments undertaken by the Company, shareholders and the actual controller

☒ Applicable ☐ Not Applicable

Beiren Group Corporation, the sole holder of non-circulating shares of the Company, undertook a commitment in the Share Segregation Reform, that within 12 months from the date of the implementation of the Share Segregation Reform Proposal, it will not trade or transfer the non-circulating shares held by it; within 12 and 24 months, respectively, 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, and within the aforesaid period, the trading price of such shares subsequently listed for trading on the stock exchange will not be less than 110 per cent of the average closing price of 30 trading days before the announcement of the Share Segregation Reform Proposal (Rmb4.29 per share). 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.

As of the end of the reporting period, no violation of aforementioned commitment took place.

3.4 Forecast of a probable loss in respect of the accumulated net profit from the beginning of the financial year to the end of the next reporting period or warning in respect of any significant changes of profit as compared with that of the corresponding period of last year and the reasons.

☐ Applicable ☒ Not Applicable

3.5 Other significant events which are necessary to be explained

3.5.1 Shares in other listed companies held by the Company

☐ Applicable ☒ Not Applicable

3.5.2 Shares held by the Company in non-listed financial institutions, companies contemplating to be listed

☐ Applicable ☒ Not Applicable

Beiren Printing Machinery Holdings Limited

Wang Guohua

Legal representative

29 October 2007

As at the date of the notice, the Company's directors comprise Mr. Wang Guohua, Mr. Lu Changan, Mr. Zhang Peiwu, Mr. Yu Baogui, Mr. JiangJianming, Mr. Yang Zhendong, Mr. Deng Gang, Ms. Li Yijing, Mr. Shi Tiantao*, Mr. Wu Hongzuo* and Mr. WuWenxiang*.*

** Independent non-executive director*