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

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 187)

ANNOUNCEMENT ON CONNECTED TRANSACTION

The Board of Directors of the Company and all members of the Board of Directors warrant that this announcement does not contain any false information, misleading statements or material omission and that they severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the contents herein contained.

I. SUMMARY OF THE CONNECTED TRANSACTION

On 18 March 2010, Beiren Printing Machinery Holdings Limited (the “Company”) convened the Eighteenth Meeting of the Sixth Board of Directors, on which the Resolution on the Entrusted Loan from Beijing Jingcheng Mechanical & Electrical Holding Company Limited was considered and approved. The Company has applied to Beijing Jingcheng Mechanical & Electrical Holding Company Limited (“Beijing Jingcheng”) for the capital support of a credit amount for an entrusted loan of RMB150,000,000. The loan was made by way of Beijing Jingcheng entrusting Bank of Beijing Company Limited to provide a loan to the Company.

II. CONNECTED PARTIES

1. Connections:

Beijing Jingcheng holds 100% shareholdings of Beiren Group Corporation. Beiren Group Corporation holds 47.78% shareholdings of the Company, and Beijing Jingcheng is a beneficial controller of the Company. Accordingly, the Company is connected with Beijing Jingcheng and the loan constitutes a connected transaction.

2. Connected party:

Name of connected party: Beijing Jingcheng Mechanical & Electrical Holding Company Limited

Legal representatives: Li Jisheng

Registered capital: RMB1,359,015,000

Registered address: Jingcheng Holding Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing

Principle activities or management activities: State-own assets operation and management within the scope of authorization; operation of title (ownership); external financing and investment.

III. SUBJECT OF THE CONNECTED TRANSACTION

The Company has applied to Beijing Jingcheng for the capital support of a credit amount for an entrusted loan of RMB150,000,000. The loan was made by way of Beijing Jingcheng entrusting Bank of Beijing to provide a loan to the Company.

IV. MAIN CONTENTS AND PRICING POLICY OF THE CONNECTED TRANSACTION

The amount is to be settled by one-off repayment of the interest of the current quarter. The loan entails the signing of the Entrusted Loan Agreement by the three parties, namely Beijing Jingcheng being the entruster, Bank of Beijing being the entrusted party and the Company being the borrower. The loan has a term of 12 months, and is unsecured, unguaranteed, and bears interests at a rate not higher than the bank interest rates for the corresponding period.

V. PURPOSE OF THE TRANSACTION AND IMPLICATIONS ON THE LISTING COMPANY

In view of uncertainties in the macroeconomy of the PRC, the banks will be more stringent in releasing loans (especially loans at preferential rates), meaning that it will be more difficult for the Company to apply for new loans from banks. As the production of the Company's products has a comparatively long cycle and takes up a significant amount of capital input, the inflow of the amount will duly mitigate the pressure on capital availability of the Company for the year, and at the same time brings more opportunities to the Company by promoting a smooth capital flow, which will in turn enhance the long term development of the Company. As such, the connected transaction is beneficial to the Company's production and operation and to the shareholders. Also, the risk of the connected transaction is controllable and will not harm the interests of the Company and the unconnected shareholders.

VI. OPINIONS OF THE INDEPENDENT DIRECTORS

All independent directors of the Company have reviewed the Resolution on the Entrusted Loan from Beijing Jingcheng Mechanical & Electrical Holding Company Limited at this meeting and have agreed to submit the resolution to the Board of Directors for approval. They have also issued independent opinions on the matter that this connected transaction was in compliance with the principle of willingness, equal equivalence and consideration, and the procedure of the

transaction was effectively controlled. The borrowing interest rate of this connected transaction was lower than the bank borrowing rate for the corresponding period, and would help ease the Company's capital shortage, broaden financing channels, improve financing structure and enhance the business development of the Company, and was in the interests of the Company and the shareholders.

VII. CONSIDERATION BY THE BOARD OF DIRECTORS AND ABSTENTION FROM VOTING BY CONNECTED DIRECTORS

On 18 March 2010, the Company convened the Eighteenth Meeting of the Sixth Board of Directors by way of onsite voting. The meeting was presided over by the Chairman, Pang Liandong, and was attended by 10 directors (10 in person) in accordance with the requirements of the Company Law and the Articles of Association. After due discussion, the 6 attending unconnected directors (including 4 independent directors) voted on the resolution, and the 4 connected directors namely Mr. Pang Liandong, Mr. Zhao Guorong, Mr. Bai Fan and Mr. Duan Yuangang abstained from voting. The resolution was approved by 6 for votes, 0 against vote and 0 abstain vote at the meeting. After consideration and approval by the Board of Directors of the Company, it will be implemented upon signing of the Entrusted Loan Agreement by Beijing Jingcheng being the entruster, Bank of Beijing being the entrusted party and the Company being the borrower.

VIII. DOCUMENTS FOR INSPECTION

1. Resolution of the Board of Directors
2. Opinions of the independent directors

The Board of Directors of
Beiren Printing Machinery Holdings Limited
18 March 2010

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zhao Guorong and Mr. Bai Fan as non-executive directors, Mr. Pang Liandong, Mr. Zhang Peiwu, Mr. Yang Zhendong and Mr. Duan Yuangang as executive directors and Mr. Xu Wencai, Ms. Wang Hui, Mr. Xie Bingguang and Mr. Wang Deyu as independent non-executive directors.