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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)

2010 THIRD QUARTERLY REPORT

1 IMPORTANT NOTICES

- 1.1 The board of directors (the “Board”), supervisory committee (the “Supervisory Committee”) and the directors (the “Directors”), supervisors and senior management of the Company 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 Third Quarterly Financial Report of the Company has not been audited.
- 1.4
- | | |
|------------------------------|---------------|
| Name of Legal Representative | Zhao Guorong |
| Name of General Manager | Zhang Peiwu |
| Name of Chief Accountant | Duan Yuangang |

Mr. Zhao Guorong, the Legal Representative of the Company, Mr. Zhang Peiwu, the General Manager, and Mr. Duan Yuangang, the Chief Accountant, have declared that they guarantee the truthfulness and completeness of the financial statements contained in this quarterly report.

2 BASIC CORPORATE INFORMATION

2.1 Major accounting data and financial indices

	Unit: RMB		
	As at the end of the reporting period	As at the end of last year	Increase/ Decrease as compared with the end of the reporting period over the end of last year (%)
Total assets (RMB)	1,668,923,457.83	1,737,782,547.50	-3.96
Owners' equity (or shareholders' equity) (RMB)	719,938,839.02	722,862,519.49	-0.40
Net assets per share attributable to shareholders of listed company (RMB/share)	1.71	1.71	N/A
	From the beginning of the year to the end of the reporting period (January-September)		Increase/ Decrease as compared with the corresponding period last year (%)
Net cash flow from operating activities (RMB)		-12,997,422.87	-122.24
Net cash flow from operating activities per share (RMB/share)		-0.031	-122.30
	For the reporting period (July-September)	From the beginning of the year to the end of the reporting period (January- September)	Increase/ Decrease as compared with the reporting period over the corresponding period last year (%)
Net profit	14,778,312.28	136,810.36	N/A
Net profit attributable to shareholders of listed company (RMB)	13,915,138.08	-1,053,466.62	N/A
Basic earnings per share (RMB/share)	0.033	-0.002	N/A
Basic earnings per share after extraordinary items (RMB/share)	-0.007	-0.061	N/A
Diluted earnings per share (RMB/share)	0.033	-0.002	N/A
Weighted average return on net assets (%)	1.94	-0.15	N/A
Weighted average return on net assets after extraordinary items (%)	-0.42	-3.54	N/A

Deducting extraordinary items and amount:

Unit: RMB

Items	Amount for the period from the beginning of the year to the end of the reporting period (January- September)	Description
Gain/loss on disposal of non-current assets	2,223,653.56	Mainly gain on transfer of assets
Government subsidies accounted into profit and loss for the current period (except for those government subsidies closely associated with the operations of the Company, and of fixed amount or fixed quantity in accordance with uniform standard of the state)	7,512,528.50	Mainly government's employment stabilization subsidies
Profit/loss from debt restructuring	1,583,495.15	
Other non-operating income and expenses save for the above	-215,454.50	
Gain/loss on transfer of long-term equity investments held	13,509,927.15	Gain on disposal of equity interests in subsidiaries, namely Haimen Beiren Fuji Printing Machinery Company Limited and Beijing Beiren Yuxin Offset Printing Co., Ltd.
Effect on minority interests (after tax)	-119,454.81	
Total	24,494,695.05	

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

Unit: share

Total number of shareholders at the end of the reporting period	18,716 (including: 18,265 A share holders, 91 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
Beiren Group Corporation	201,640,000	Renminbi ordinary shares
HKSCC NOMINEES LIMITED	98,283,199	Foreign shares listed overseas
China Construction Bank — Fortis Haitong Style Rotation Equity Securities Investment Fund	8,043,077	Renminbi ordinary shares
Rising Securities Co., Ltd.	2,403,905	Renminbi ordinary shares
伍志強	820,000	Renminbi ordinary shares
蔣愛萍	750,000	Renminbi ordinary shares
唐斌斌	736,300	Renminbi ordinary shares
Shandong International Trust Corporation — Jisheng Phase I Securities Investment Collective Fund Trust Scheme	730,000	Renminbi ordinary shares
Beijing BBEF Electronics Group Co., Ltd.	722,100	Renminbi ordinary shares
李軍	721,000	Renminbi ordinary shares

3 SIGNIFICANT EVENTS

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

✓ Applicable ☐ Not Applicable

- (1) Monetary funds increased by 34.32% compared with the beginning of the year, mainly due to the receipt of part of equity transfer payments during the period.
- (2) Bills receivable increased by 93.06% compared with the beginning of the year, mainly due to the increase in bills receivable during the period.
- (3) Disposal of fixed assets increased by RMB8,967,331.89, mainly due to the transfer of assets.
- (4) Investment properties decreased by 53.93% compared with the beginning of the year, mainly due to the transfer of assets.
- (5) Tax payable decreased by 59.81% compared with the beginning of the year, mainly due to the decrease in outstanding tax payable.

- (6) Interest payable decreased by 48.90% compared with the beginning of the year, mainly due to the decrease in interest payable.
- (7) Other payables increased by 197.43% compared with the beginning of the year, mainly due to the increase in current accounts.
- (8) Non-current liabilities due within one year decreased by 100% compared with the beginning of the year, mainly due to the disposal of subsidiaries.
- (9) Other current liabilities decreased by 100% compared with the beginning of the year, mainly due to the decrease in accrued expenses.
- (10) Investment income increased by 968.32% compared with the corresponding period last year, mainly due to the increase in investment income resulting from the transfer of equity interests in subsidiaries.
- (11) Non-operating income increased by 96.86% compared with the corresponding period last year, mainly due to the increase in government subsidies and the increase in gain on disposal of non-current assets.
- (12) Net cash flow from operating activities decreased by 122.24% compared with the last period, the main reasons of which include: the increase in cash paid for the acquisition of goods and services compared with the corresponding period last year, and the increase in taxes paid, due to the recovery of production.

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

✓ Applicable ☐ Not Applicable

On 29 June 2010, the Company announced that the eight asset transfer agreements entered into between the Company and its major shareholder, Beiren Group Corporation, were considered and approved at the 2009 Annual General Meeting. On 3 September 2010, the Company announced that among the eight asset transfer agreements, the transfer of equity interests in the Company's subsidiaries was approved by the Beijing State-owned Assets Supervision and Administration Commission. As at the reporting period, the progress of the eight assets transfers of the Company is as follows:

- (1) The settlement procedures for the transfer of the 100% equity interest in Beiren Yixin (Beijing) Technology Development Company Limited, a wholly-owned subsidiary of the Company, to Beiren Group Corporation have been completed in the China Beijing Equity Exchange, and RMB89,948,900 has been recovered.

- (2) The physical hand-over procedures for the transfer of the property of the Company in Fatou, Beijing to Beiren Group Corporation have been completed, and the payment due as provided in the agreement of RMB5,860,100 has been received.
- (3) The hand-over procedures for the transfer of the facilities ancillary to the property of the Company in Fatou, Beijing to Beiren Group Corporation have been completed, and the payment due as provided in the agreement of RMB2,402,800 has been received.
- (4) The payment due of relocation compensation to Beijing Beiren Fuji Printing Machinery Company Limited, a holding subsidiary of the Company, by Beiren Group Corporation of RMB5,480,900 has been received.
- (5) The transaction in relation to the transfer of the BEIREN200 quarto four-colour lithographic printing machines patented technology of the Company to Beiren Group Corporation has been completed, and the payment due as provided in the agreement of RMB1,111,900 has been received.
- (6) The transaction in relation to the transfer of the receivables due from Haimen Beiren Fuji Printing Machinery Company Limited of the Company to Beiren Group Corporation has been completed, and the payment due as provided in the agreement of RMB15,187,700 has been received.
- (7) The transaction in relation to the transfer of the inventory of the Company to Beiren Group Corporation has been completed, and the payment due as provided in the agreement of RMB13,897,700 has been received.
- (8) Regarding the transaction in relation to the transfer of 79.7% and 20.3% equity interest in Hainan Beiren Fuji Printing Machinery Company Limited, which is held by the Company and a subsidiary of the Company, Beijing Beiren Fuji Printing Machinery Company Limited respectively, to Beiren Group Corporation, the settlement procedures for the transfer of 79.7% equity interest held by the Company have been completed in the China Beijing Equity Exchange, while the procedures for the transfer of 20.3% equity interest held by its subsidiary, Beijing Beiren Fuji Printing Machinery Company Limited, are in process. The payment due as provided in the agreement of RMB9,374,500 has been received.

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

☐ Applicable ☒ Not Applicable

3.4 Warning and explanation of reasons as to the anticipated loss in accumulated net profit from the beginning of the year to the end of the next reporting period or significant changes of profit as compared with that of the corresponding period of last year

☐ Applicable ☒ Not Applicable

3.5 Implementation of cash dividend distribution policy during the reporting period

No cash dividend was distributed during the reporting period.

Beiren Printing Machinery Holdings Limited

Zhao Guorong

Legal Representative

Beijing, the PRC

28 October 2010

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zhao Guorong as non-executive director, Mr. Zhang Peiwu 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.

4 APPENDIX

4.1 Combined Balance Sheet

As at 30 September 2010

Prepared by: Beiren Printing Machinery Holdings Limited

Items	<i>Unit: RMB (Unaudited)</i>	
	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Monetary funds	160,414,405.23	119,427,989.19
Transaction settlement funds		
Loans from other banks		
Financial assets held for trading		
Bills receivable	32,256,000.00	16,707,773.38
Accounts receivable	248,609,319.10	255,167,926.90
Prepayments	21,000,731.30	18,600,020.19
Premiums receivable		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Interest receivable		
Dividends receivable		
Other receivables	27,879,204.05	30,339,203.74
Purchase and resale of financial assets		
Inventories	430,896,057.15	489,304,032.64
Non-current assets due within one year		
Other current assets		
Total current assets	<u>921,055,716.83</u>	<u>929,546,946.04</u>

Items	Balance at the end of the period	Balance at the beginning of the year
Non-current assets:		
Granted and entrusted loans and advances		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	17,550,498.51	15,100,595.32
Investment properties	6,932,729.42	15,047,905.79
Fixed assets	571,978,157.11	626,730,021.57
Construction in progress	4,931,899.53	4,279,083.99
Construction materials		
Disposal of fixed assets	8,967,331.89	
Productive biological assets		
Oil and gas assets		
Intangible assets	119,899,727.78	126,907,626.93
Development expenditure		
Goodwill		
Long-term unamortised expenses	9,367,320.00	11,930,291.10
Deferred income tax assets	8,240,076.76	8,240,076.76
Other non-current assets		
Total non-current assets	747,867,741.00	808,235,601.46
Total assets	1,668,923,457.83	1,737,782,547.50

Items	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term borrowings	277,500,000.00	314,850,000.00
Borrowings from central bank		
Receipt of deposits and deposits from other banks		
Loans from other banks		
Financial liabilities held for trading		
Bills payables	12,700,000.00	13,900,000.00
Accounts payable	300,337,604.14	379,540,583.68
Receipts in advance	109,257,406.80	94,623,242.70
Funds from sale and repurchase of financial assets		
Handling charges and commission payable		
Wage payable	47,790,734.06	59,655,647.63
Tax payable	6,187,885.66	15,398,299.09
Interest payable	560,500.00	1,096,962.50
Dividends payable		
Other payables	144,367,309.12	48,538,528.19
Reinsurance payables		
Insurance contract reserves		
Funds from securities trading agency		
Funds from securities underwriting agency		
Non-current liabilities due within one year		29,550,000.00
Other current liabilities		1,149,600.00
Total current liabilities	898,701,439.78	958,302,863.79

Items	Balance at the end of the period	Balance at the beginning of the year
Non-current liabilities:		
Long-term borrowings	18,000,000.00	24,000,000.00
Bonds payable		
Long-term payables		
Special payables	9,100,538.23	9,100,538.23
Estimated liabilities	266,891.98	266,891.98
Deferred income tax liabilities		
Other non-current liabilities	2,803,300.68	2,803,300.68
Total non-current liabilities	30,170,730.89	36,170,730.89
Total liabilities	928,872,170.67	994,473,594.68
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	422,000,000.00	422,000,000.00
Capital reserve	521,150,057.21	523,020,271.06
Less: Treasury stock		
Special reserve		
Surplus reserve	43,172,707.88	43,172,707.88
General risk provision		
Undistributed profit	-266,383,926.07	-265,330,459.45
Exchange difference arising on translation of foreign currency statements		
Total owners' equity attributable to parent company	719,938,839.02	722,862,519.49
Minority interests	20,112,448.14	20,446,433.33
Total owners' equity	740,051,287.16	743,308,952.82
Total liabilities and owners' equity	1,668,923,457.83	1,737,782,547.50

Legal Representative of the Company:
Zhao Guorong

Accounting Director:
Zhang Peiwu

Accounting Manager:
Duan Yuangang

Balance Sheet of the Parent Company

As at 30 September 2010

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: RMB (Unaudited)

Items	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Monetary funds	107,096,372.15	86,568,028.75
Financial assets held for trading		
Bills receivable	20,659,000.00	12,097,000.00
Accounts receivable	191,899,555.06	207,351,175.53
Prepayments	5,949,033.84	4,489,060.17
Interest receivable		
Dividends receivable		
Other receivables	18,114,542.56	7,287,587.74
Inventories	309,984,569.95	328,286,547.25
Non-current assets due within one year		
Other current assets	15,000,000.00	
Total current assets	668,703,073.56	646,079,399.44
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	187,573,496.39	216,161,294.58
Investment properties	6,932,729.42	15,047,905.79
Fixed assets	450,840,643.38	474,875,268.15
Construction in progress	1,693,612.43	1,697,564.49
Construction materials		
Disposal of fixed assets	8,967,331.89	
Productive biological assets		
Oil and gas assets		
Intangible assets	87,228,048.64	101,841,698.56
Development expenditure		
Goodwill		
Long-term unamortised expenses	9,367,320.00	11,930,291.10
Deferred income tax assets		
Other non-current assets		
Total non-current assets	752,603,182.15	821,554,022.67
Total assets	1,421,306,255.71	1,467,633,422.11

Items	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term borrowings	210,000,000.00	230,000,000.00
Financial liabilities held for trading		
Bills payable		
Accounts payable	216,502,869.62	267,557,367.34
Receipts in advance	23,991,159.38	27,758,177.71
Wage payable	25,191,921.83	34,496,556.25
Tax payable	2,143,526.96	7,866,507.28
Interest payable	560,500.00	1,096,962.50
Dividends payable		
Other payables	152,059,220.76	62,037,936.32
Non-current liabilities due within one year		
Other current liabilities		650,000.00
Total current liabilities	630,449,198.55	631,463,507.40
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Long-term payables		
Special payables	9,100,538.23	9,100,538.23
Estimated liabilities	266,891.98	266,891.98
Deferred income tax liabilities		
Other non-current liabilities	1,970,448.01	1,970,448.01
Total non-current liabilities	11,337,878.22	11,337,878.22
Total liabilities	641,787,076.77	642,801,385.62
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	422,000,000.00	422,000,000.00
Capital reserve	517,456,262.71	517,456,262.71
Less: Treasury stock		
Special reserve		
Surplus reserve	38,071,282.24	38,071,282.24
General risk provision		
Undistributed profit	-198,008,366.01	-152,695,508.46
Total owners' equity (or shareholders' equity)	779,519,178.94	824,832,036.49
Total liabilities and owners' equity (or shareholders' equity)	1,421,306,255.71	1,467,633,422.11

Legal Representative of the Company:
Zhao Guorong

Accounting Director:
Zhang Peiwu

Accounting Manager:
Duan Yuangang

4.2 Combined Income Statement

Prepared by: Beiren Printing Machinery Holdings Limited

<i>Unit: RMB (Unaudited)</i>				
Items	Amount for the current period (July-September)	Amount for the prior period (July-September)	Amount for the period from the beginning of the year to the end of the reporting period (January- September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January- September)
1. Total operating income	216,296,928.63	148,745,215.41	602,940,713.37	532,155,055.35
Including: Operating income	216,296,928.63	148,745,215.41	602,940,713.37	532,155,055.35
Interest income				
Premium income				
Handling charges and commission income				
2. Total operating cost	218,559,344.98	170,903,617.53	627,608,603.38	596,442,168.78
Including: Operating cost	174,664,419.87	127,541,882.10	486,508,347.82	459,873,534.44
Interest expenses				
Handling charges and commission expenses				
Payment of surrenders				
Net claim expenses				
Net provision for insurance contract reserves				
Policy dividend payment				
Expenses for reinsurance accepted				
Business tax and surcharge	1,306,151.88	1,239,706.99	4,181,325.58	4,154,818.66
Sales expenses	15,099,829.59	14,364,002.65	43,353,141.09	38,492,447.07
Administrative expenses	23,357,491.28	22,283,780.18	71,193,951.57	71,655,844.10
Financial expenses	4,901,425.14	4,154,358.81	14,221,979.65	13,668,196.50
Impairment loss on assets	-769,972.78	1,319,886.80	8,149,857.67	8,597,328.01
Add: Gain on change in fair value (loss expressed with “-”)				
Gain on investment (loss expressed with “-”)	13,281,131.23	1,043,655.10	13,803,128.97	1,292,042.27
Including: Gain on investments in associates and joint ventures	219,397.14	73,804.67	293,201.81	322,191.84
Exchange gain (loss expressed with “-”)				

Items	Amount for the current period (July-September)	Amount for the prior period (July-September)	Amount for the period from the beginning of the year to the end of the reporting period (January- September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January- September)
3. Operating profit (loss expressed with “-”)	11,018,714.88	-21,114,747.02	-10,864,761.04	-62,995,071.16
<i>Add:</i> Non-operating income	3,808,776.53	806,781.73	11,501,314.18	5,842,465.08
<i>Less:</i> Non-operating expenses	49,179.13	297,531.97	397,091.47	1,089,011.05
Including: Loss on disposal of non-current assets	99,887.92	10,306.05	110,193.97	627,260.98
4. Total profit (total loss expressed with “-”)	14,778,312.28	-20,605,497.26	239,461.67	-58,241,617.13
<i>Less:</i> Income tax expenses			102,651.31	165,759.86
5. Net profit (net loss expressed with “-”)	14,778,312.28	-20,605,497.26	136,810.36	-58,407,376.99
Net profit attributable to owners of parent company	13,915,138.08	-20,161,889.35	-1,053,466.62	-55,839,585.70
Minority interests	863,174.20	-443,607.91	1,190,276.98	-2,567,791.29
6. Earnings per share:				
(1) Basic earnings per share	0.033	-0.05	-0.002	-0.132
(2) Diluted earnings per share	0.033	-0.05	-0.002	-0.132
7. Other comprehensive income				
8. Total comprehensive income				
Total comprehensive income attributable to owners of parent company	13,915,138.08	-20,161,889.35	-1,053,466.62	-55,839,585.70
Total comprehensive income attributable to minority shareholders	863,174.20	-443,607.91	1,190,276.98	-2,567,791.29

For the business combination under common control occurred in the current period, the net profit recognised before the combination by the merged party is: RMB0.

Legal Representative of the Company:
Zhao Guorong

Accounting Director:
Zhang Peiwu

Accounting Manager:
Duan Yuangang

Income Statement of the Parent Company

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: RMB (Unaudited)				
Items	Amount for the current period (July-September)	Amount for the prior period (July-September)	Amount for the period from the beginning of the year to the end of the reporting period (January- September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January- September)
1. Operating income	114,668,240.74	83,315,982.71	325,127,511.33	304,990,274.65
Less: Operating cost	95,777,293.89	75,322,147.95	270,637,020.84	270,422,868.08
Business tax and surcharge	858,037.25	905,844.00	2,926,795.31	3,002,984.55
Sales expenses	6,904,778.18	8,498,004.97	18,749,682.01	20,131,610.31
Administrative expenses	14,332,790.58	16,340,085.44	42,426,175.31	43,404,106.09
Financial expenses	3,093,000.46	2,333,764.20	9,175,461.90	8,513,618.11
Impairment loss on assets			8,419,440.45	7,277,441.21
Add: Gain on change in fair value (loss expressed with “-”)				
Gain on investment (loss expressed with “-”)	-16,475,371.33	-2,410,195.33	-31,314,175.10	-2,161,808.16
Including: Gains on investments in associates and joint ventures	219,397.14	73,804.67	293,201.81	322,191.84
2. Operating profit (loss expressed with “-”)	-22,773,030.95	-22,494,059.18	-58,521,239.59	-49,924,161.86
Add: Non-operating income	3,580,178.93	657,230.01	13,309,811.75	4,832,847.74
Less: Non-operating expenses	5,000.00	131,419.52	101,429.71	515,134.32
Including: Loss on disposal of non-current assets	81,160.19	15,269.52	96,429.71	339,943.35
3. Total profit (total loss expressed with “-”)	-19,197,852.02	-21,968,248.69	-45,312,857.55	-45,606,448.44
Less: Income tax expenses				
4. Net profit (net loss expressed with “-”)	-19,197,852.02	-21,968,248.69	-45,312,857.55	-45,606,448.44
5. Earnings per share:				
(1) Basic earnings per share				
(2) Diluted earnings per share				
6. Other comprehensive income				
7. Total comprehensive income	-19,197,852.02	-21,968,248.69	-45,312,857.55	-45,606,448.44

Legal Representative of the Company:
Zhao Guorong

Accounting Director:
Zhang Peiwu

Accounting Manager:
Duan Yuangang

4.3 Combined Cash Flow Statement

January-September 2010

Prepared by: Beiren Printing Machinery Holdings Limited

Items	Unit: RMB (Unaudited)	
	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
1. Cash flow from operating activities:		
Cash receipts from sale of goods and rendering of services	518,998,930.30	526,648,899.20
Net increase deposits from customer and other banks		
Net increase in borrowings from central bank		
Net increase in loans from other financial institutions		
Cash received from insurance policy premium		
Net cash received from reinsurance		
Net increase in policyholder deposit and investments		
Net increase in disposal of financial assets held for trading		
Cash received from interests, handling charges and commission		
Net increase in loans from other banks		
Net increase in capital from repurchase business		
Receipts of taxes and levy refunds	165,759.86	1,027,772.05
Other cash receipts in operating activities	26,634,021.76	9,209,114.43
Subtotal of cash inflows from operating activities	545,798,711.92	536,885,785.68
Cash payments for goods and services acquired	337,930,968.68	262,873,241.01
Net increase in customers' loans and advances		
Net increase in placements with central bank and other banks		
Cash paid for insurance contract claims		
Cash paid for interests, handling charges and commission		
Cash paid for policy dividend		
Cash paid to and on behalf of employees	126,959,334.98	133,147,360.77
Payment of taxes and levy	56,188,370.42	38,979,245.86
Other cash payments in operating activities	37,717,460.71	43,437,506.52
Subtotal of cash outflows from operating activities	558,796,134.79	478,437,354.16
Net cash flow from operating activities	-12,997,422.87	58,448,431.52

Items	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
2. Cash flow from investing activities:		
Cash receipts from sale of investment	99,673,404.36	50,000.00
Cash receipts from investment income		
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	7,643,402.75	71,715.42
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts in investing activities		
Subtotal of cash inflows from investing activities	107,316,807.11	121,715.42
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	2,068,005.13	2,222,339.58
Cash paid for investments		
Net increase in pledged loans		
Net cash received from subsidiaries and other business units		
Other cash payments in investing activities	5,399,304.24	250,000.00
Subtotal of cash outflows from investing activities	7,467,309.37	2,472,339.58
Net cash flow from investing activities	99,849,497.74	-2,350,624.16
3. Cash flow from financing activities:		
Cash proceeds from absorbing investment		
Including: Cash receipts from absorbing minority shareholders' investments by subsidiary		
Cash receipts from borrowings	282,000,000.00	300,450,000.00
Cash receipts from issue of bonds		
Other cash receipts in financing activities	74,475.70	54,063.71
Subtotal of cash inflows from financing activities	282,074,475.70	300,504,063.71
Cash paid for repayment of debts	313,400,000.00	356,157,750.00
Cash paid for distribution of dividends or profits or payment of interest	13,971,610.93	14,331,600.30
Including: Subsidiary's payment of dividends and profits to minority shareholders		
Other cash payments in financing activities	565,059.50	303,025.27
Subtotal of cash outflows from financing activities	327,936,670.43	370,792,375.57
Net cash flow from financing activities	-45,862,194.73	-70,288,311.86

Items	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
4. Effect of exchange rate changes on cash and cash equivalents	-3,464.10	-695.02
5. Net increase in cash and cash equivalents	40,986,416.04	-14,191,199.52
Add: Balance of cash and cash equivalents at the beginning of the period	119,427,989.19	74,783,510.00
6. Balance of cash and cash equivalents at the end of the period	160,414,405.23	60,592,310.48

Legal Representative of the Company:
Zhao Guorong

Accounting Director:
Zhang Peiwu

Accounting Manager:
Duan Yuangang

Cash Flow Statement of the Parent Company

January-September 2010

Prepared by: Beiren Printing Machinery Holdings Limited

Items	Unit: RMB (Unaudited)	
	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
1. Cash flow from operating activities:		
Cash receipts from sale of goods and rendering of services	262,980,280.56	288,328,519.78
Receipts of taxes and levy refunds		
Other cash receipts in operating activities	15,491,948.03	6,365,693.02
Subtotal of cash inflows from operating activities	278,472,228.59	294,694,212.80
Cash payments for goods and services acquired	167,164,502.06	112,413,409.51
Cash paid to and on behalf of employees	78,784,316.14	90,043,831.37
Payment of taxes and levy	35,675,443.95	21,714,632.77
Other cash payments in operating activities	32,829,143.98	28,120,817.82
Subtotal of cash outflows from operating activities	314,453,406.13	252,292,691.47
Net cash flow from operating activities	-35,981,177.54	42,401,521.33
2. Cash flow from investing activities:		
Cash receipts from sale of investment	99,673,404.36	50,000.00
Cash receipts from investment income		
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	7,618,402.76	77,176.00
Net cash receipts from disposal of subsidiaries and other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	107,291,807.12	127,176.00
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	173,327.00	721,024.70
Cash paid for investments	5,710,237.50	
Net cash received from subsidiaries and other business units		
Other cash payments in investing activities	15,000,000.00	250,000.00
Subtotal of cash outflows from investing activities	20,883,564.50	971,024.70
Net cash flow from investing activities	86,408,242.62	-843,848.70

Items	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
3. Cash flow from financing activities:		
Cash proceeds from absorbing investment		
Cash receipts from borrowings	245,000,000.00	235,500,000.00
Other cash receipts in financing activities		
Subtotal of cash inflows from financing activities	245,000,000.00	235,500,000.00
Cash paid for repayment of debts	265,000,000.00	273,607,750.00
Cash paid for distribution of dividends or profits or payment of interest	9,894,664.90	8,677,440.00
Other cash payments in financing activities		
Subtotal of cash outflows from financing activities	274,894,664.90	282,285,190.00
Net cash flow from financing activities	-29,894,664.90	-46,785,190.00
4. Effect of exchange rate changes on cash and cash equivalents	-4,056.78	4,126.60
5. Net increase in cash and cash equivalents	20,528,343.40	-5,223,390.77
<i>Add:</i> Balance of cash and cash equivalents at the beginning of the period	86,568,028.75	53,273,532.77
6. Balance of cash and cash equivalents at the end of the period	107,096,372.15	48,050,142.00

Legal Representative of the Company:
Zhao Guorong

Accounting Director:
Zhang Peiwu

Accounting Manager:
Duan Yuangang