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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: 0187)

SUPPLEMENTARY ANNOUNCEMENT REGARDING 2010 ANNUAL REPORT

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.

The Company makes the following detailed supplement regarding the relevant matters of 2010 Annual Report upon the request of Shanghai Stock Exchange, to be added to the end of “Major Events” in the 2010 Annual Report:

1. The impact of the technical development carried out in 2010 on the results of the Company and the strategy and objectives of technology development of the Company:

1. Major technical (products) development carried out by the Company in 2010

(1) N500 folio multi-colour offset machine

N500 and N550 folio multi-colour offset machines are the upgraded products of Beiren N300 Series, among which N500 folio multi-colour offset machine is the national significant industrialization project of the “12-5” in relation to the printing industry confirmed by the NDRC.

(2) N525 two-colour unit-type offset machine set is primarily designed for the market of packaging printing and is suitable for small batch and multi-type packaging printing.

(3) N530 two-sided offset machine designed for book and general printing is the major facility to suit the market of book printing.

(4) Sheet-coiling satellite flexo printing machine designed for pre-printing of cartons and packaging market is listed as one of the projects of “Industrialization of Broad Satellite Flexo High-speed Printing Machine” by the NDRC.

- (5) Coating machine is applicable to several sectors, such as new energy sector, photovoltaic sectors and IT sectors.

The abovementioned products are the new products which have undergone product transformation to adapt to the changing market. Upon the adjustment to the structure of the products, it is expected that a new growing point will be brought to the Company.

2. Company's technical development strategy and objective in 2011:

(1) Development strategy

The Company fully utilizes existing technical know-how and resources to grasp the opportunity brought by the rapid growing packaging printing and commercial printing sectors, increase the level of resources consolidation, improve service quality and focus on transforming the digital folio single paper folio multi-colour offset machine to a digital, multifunctional and all-in-one solution, thus improving the market competitiveness of gravure printing machine series and further industrializing our products including flexo printing machine.

(2) Development objective in 2011

1. Complete the consolidation of the platform of advanced folio multi-colour offset machine focusing on the improvement of stability, consistency and practicability of the quality of basic function in order to complete the trial production and examination of basic machine type of the "Industrialization of Folio Multi-colour Offset Machine" project.
2. Complete the design, trial production and examination of 70A high speed small roller printing machine which is jointly developed with the Japanese partner; to bring such product in line with the advanced technical level as similar products worldwide in order to improve the Beiren's competitiveness in the market of roller printing machines.
3. Complete the trial production of N550 broaden two-colour unit-type offset machine set for adapting to the packaging printing market.
4. Complete the improvement and optimization of N525 and N530 products to achieve an economical lot size.
5. Complete the sheet-coiling satellite flexo printing machines for the pre-printed cardboard market and materialize the sales of such machine.
6. Design and develop the five-roll coating unit to equip our machines with more precise coating function.

2. The impairment losses of assets of the Company increased by 110.4% as compared to the corresponding period in last year, among which a significant rise in the bad debt provision was recorded over the same period of the previous year:

The Company made impairment test on those unsold overstocked products and unfinished work in process and made inventory falling price reserves RMB34,274,900 for the year.

The Company made product transformation this year and some new products will be in small-batch trial production in 2011, hence the cost will be higher than that in normal batch and the net realisable value and hence the Company made inventory falling price reserves of RMB20,432,200.

The Company made a bad debt provision of RMB16,640,800 for the year compared to RMB1,875,000 for the previous year, experiencing an increase of RMB14,765,800 which was mainly due to the poor recovery record of long aging receivables. The long aging receivables in 2009 were lower than that in 2008 resulting in a lower bad debt provision in 2009. However, the Company was affected by industry-wide factors in 2010 which lowered the recoverability of certain long aging receivables. There were 102 items of receivables amounting to RMB27,257,600, which were classified as long aging with outstanding balance that was hard to recover, for which the Company has recognized a bad debt provision of RMB23,506,900, causing a higher amount of bad debt provision for the year.

3. The Company transferred the equity interest as well as all affiliated rights (on land) in Beiren Yixin (Beijing) Technology Development Co., Ltd. to the controlling shareholder. The explanation of whether the transaction price of such land parcel was higher than the market price:

- (1) The process of the transfer of the equity interest in Beiren Yixin to the controlling shareholder by the Company is set out below:

On the twelfth meeting of the Sixth Board held on 5 May 2010, it was approved to commence the audit and appraisal processes for the transfer of our subsidiary Beiren Yixin (Beijing) Technology Development Co., Ltd..

In May, 2010, the China Faith Appraisers Co., Ltd., a stated owned company in Beijing, issued an “Appraisal Report of the Equity in Beiren Yixin (Beijing) Technology Development Co., Ltd. for the Proposed Transfer Project of Beiren Printing Machinery Holdings Limited” (Guo You Bei Da Zheng Ping Bao Zi (2010) No. 93). The valuation date was 31 March 2010. The equity in Beiren Yixin (Beijing) Technology Development Co., Ltd. amounted to RMB176,370,400 on the valuation date.

On the fourth extraordinary meeting of the Sixth Board held on 2 June 2010, a resolution concerning the transfer of the equity interest in Beiren Yixin (Beijing) Technology Development Co., Ltd., a wholly-owned subsidiary, to Beiren Group Corporation, the controlling shareholder and entering into an equity transfer agreement with it was approved and the same was disclosed on the Shanghai Securities Journal next day.

On 7 June 2010, the State-owned Assets Supervision and Administration Commission of the Beijing Municipal Government approved such transfer of equity interest (Jing Guo Zi Chan Quan [2010] No. 90), and disclosed the progress of such matter on Shanghai Securities Journal on 10 June.

On the Company's Annual General Meeting held on 29 June 2010, it was approved to transfer the equity interest in Beiren Yixin and the same was disclosed on the Shanghai Securities Journal next day.

On 1 September 2010, an official response approving the transfer of the equity interest in Beiren Yixin was received from the State-owned Assets Supervision and Administration Commission of the Beijing Municipal Government (Jing Guo Zi Chan Quan [2010] No. 143), and the same was disclosed on the Shanghai Securities Journal on 4 September.

- (2) The assessment report issued by the China Faith Appraisers Co., Ltd., a stated owned company in Beijing, stated that hypothetical development method was adopted for assessing the intangible assets (land use right), which was a method to achieve the value of the subject upon future development by deducting the developing cost, tax payment and profits in the future so as to estimate an objective and fair price or value for the subject. The value of real estate upon development was measured by income method. Future rental is mainly acquired from the completed technical research building, which is determined with reference to the rental of nearby offices in similar category. In addition, the land parcel is located in the centre of Beijing Economic-Technological Development Area, which is a prime location surrounding by banks and offices with strong commercial atmosphere. Besides, a MTR satiation of Yizhuang Line, a new MTR line coming into operation in December 2010 is located less than 500 metres away from the subject land parcel, accordingly the value of intangible assets (land use right) of Beiren Yixin (Beijing) Technology Development Co., Ltd. has increased by RMB154,027,700 in addition to the original assessed value (see the report for the details of the basis of assessment and process). For the time being, other companies have expressed their intention of acquiring Beiren Yixin for a price of RMB170,000,000 – RMB180,000,000. Considering the above reasons, we consider that the transfer process of the equity interest in Beiren Yixin complies with applicable regulations and the transaction price is objective and fair and does not exceed the market price.

4. Explanation for the higher proportion of staff remuneration shown in the consolidated statement of cash flow contained in the 2010 Annual Report:

Remuneration paid to staff and cash paid for staff amounted to RMB194,476,800 for the year, representing 25.92% of cash outflow from operating activities, the proportion of which to the cash outflow was relatively low for the last three years. The “Cash payments to and on behalf of employees” contained in the statement of cash flow not only included the total remuneration paid to the staff (representing around 60%), but also included the social security funds, housing provident fund, compensation for the termination of employment relationship and other benefits paid to staff or on behalf of staff. In the recent years, such expense has remained stable generally and experienced a decrease of 9.47% in 2010 compared to that in 2009. The main reasons were that two companies have been excluded for accounting consolidation and the parent company has cut off manpower resulting in a decrease in total paid annual remuneration of RMB3,903,600 in 2010 compared to that in 2009, representing a decrease of 5.28%. Other remuneration related expenses also decreased. Furthermore, in 2009, the Company controlled the input in purchase and production according to the market changes, therefore the cash payments to and on behalf of employees accounted for a higher proportion but without an increase in absolute amount.

| | Cash payments to and on behalf of employees (RMB thousands) | Cash outflow from operating activities (RMB thousands) | Percentage |
|------|--|---|-------------------|
| 2010 | 194,476.8 | 750,312.6 | 25.92% |
| 2009 | 214,815.6 | 675,847.0 | 31.78% |
| 2008 | 215,868.4 | 827,884.6 | 26.07% |

The full text of amended 2010 Annual Report is available on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>).

**The Board of Directors of
Beiren Printing Machinery Holdings Limited**
27 May 2011

As at the date of this announcement, the board of Directors of the Company comprises Mr. Zhao Guorong, Mr. Zhang Peiwu and Mr. Duan Yuangang as executive directors, Mr. Teng Mingzhi, Ms. Wang Bei, Mr. Li Shenggao and Ms. Wei Li as non-executive directors and Mr. Xu Wencai, Ms. Wang Hui, Mr. Xie Bingguang and Mr. Wang Deyu as independent non-executive directors.