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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)**

### **ANNOUNCEMENT OF RESOLUTIONS PASSED AT THE SECOND MEETING OF THE SEVENTH BOARD OF DIRECTORS**

**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 statement or material omission, and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the contents herein contained.**

Pursuant to the notice of meeting dated 11 July 2011, the second meeting of the seventh Board of Directors of Beiren Printing Machinery Holdings Limited (the "Company") was held at Conference Room No. 6203 of the Company, No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing, the PRC on 27 July 2011. Eleven directors were eligible to attend the meeting and all of them attended the meeting in person. The supervisors and senior management of the Company also attended the meeting. The convening of the meeting was in compliance with the requirements of all applicable laws and the Articles of Association of the Company.

The meeting was presided over by Chairman Mr. Zhao Guorong. The following resolutions were considered and approved:

1. The 2011 Interim Report of the Company and its summary were considered and approved.

The number of valid votes for the resolution was 11, with 11 for votes, 0 against vote, and 0 abstaining vote.

2. The resolution in relation to the provision for impairment of the Company for the half year of 2011 was considered and approved.

During the reporting period, further provision for bad debts of accounts receivables of RMB1,339,800 was made by the Company by examining the book value of accounts receivable and testing for impairment in accordance with the accounting policies and accounting estimates of the Company. In which, further provision for bad debts of accounts receivables of RMB2,229,800 was made by the parent company, and provision for bad debts of accounts receivables of RMB890,000 was recovered by the subsidiary company, Shannxi Beiren Printing Machinery Company Limited.

The number of valid votes for the resolution was 11, with 11 for votes, 0 against vote, and 0 abstaining vote.

3. Resolution in respect of the writing off of bad debts of the Company was considered and approved.

Despite the negotiations and court mediation with eight customers of the Company, there is still an outstanding RMB1,823,300 owed by the eight customers to the Company. The Company wrote off such accounts receivable as bad debt.

The number of valid votes for the resolution was 11, with 11 for votes, 0 against vote, and 0 abstaining vote.

4. The interim reports from the senior management of the Company on their duties were considered and approved, and the result of the assessment on the senior management staff of the Company by the Company's Remuneration and Monitoring Committee was also approved.

The number of valid votes for the resolution was 11, with 11 for votes, 0 against vote, and 0 abstaining vote.

5. The resolution regarding the strategic development of a subsidiary, Beijing Beiren Fuji Printing Machinery Company Limited, during the "12th Five-year Plan" was considered and approved.

The number of valid votes for the resolution was 11, with 11 for votes, 0 against vote, and 0 abstaining vote.

6. The resolution regarding the change of Beijing Beiren Jingyan Printing Machinery Factory from a joint venture into a limited company was considered and approved.

The number of valid votes for the resolution was 11, with 11 for votes, 0 against vote, and 0 abstaining vote.

7. The resolution regarding the adjustment of the Company's financing structure was considered and approved

In 2011, the banking facility applied by the Company was RMB386,000,000, and the loans applied to banks did not exceed RMB259,000,000. Of which, an application has been made to the beneficial controller Beijing Jingcheng Machinery Electric Holding Co., Ltd. (hereinafter referred to as "Jingcheng Holding") for an entrusted loan facility in the amount of RMB150,000,000, notes facility of RMB31,000,000, account receivables insurance facility of RMB70,000,000, letter of guarantee facility of RMB26,000,000. (Please refer to the announcement dated 17 March 2011 for the relevant details).

With China's tightening macro-monetary policy, the ever-rising deposit reserve ratio, the benchmark deposit and lending rates of China's central bank, and the promulgation and implementation of the "Three Sets of Measures and One Set of Guidelines" by China's central bank, the sales volume of the Company's regular products declined significantly in the first half of the year. The decrease in cash return has imposed pressure on the availability of production capital. In order to ensure the normal production and operation of the Company and reduce the difficulties brought about by the change of financing policies, it is proposed to adjust the structure of the financing plan for 2011. The account receivables insurance facility of RMB70,000,000 will be changed to an entrusted loan of RMB70,000,000 (hereinafter referred to as the "Entrusted Loan") from the beneficial controller Jingcheng Holding. The Entrusted Loan is on normal commercial terms, unsecured, not guaranteed and has an interest rate not higher than that of bank loans in the same period.

As this resolution constitutes a connected transaction, out of the 11 directors attending the meeting, the connected directors namely Mr. Zhao Guorong, Mr. Teng Mingzhi, Ms. Wang Bei, Mr. Li Shenggao and Ms. Wei Li have abstained from voting, and the remaining 6 directors with voting rights have unanimously approved the resolution.

**The Board of Directors of  
Beiren Printing Machinery Holdings Limited**

27 July 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.*