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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: 187)**

## **2011 INTERIM REPORT SUMMARY**

### **1 IMPORTANT NOTICES**

1.1 The board of directors, supervisory committee and 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.

This summary is extracted from the 2011 Interim Report. Investors are advised to read the full text of Interim Report for detailed information.

1.2 All directors of the Company attended the meeting.

1.3 The Interim Financial Report has not been audited.

1.4 None of our controlling shareholders and their associates has appropriated the Company's capital for non-operating purposes.

1.5 The Company has not provided third-party guarantees in violation of stipulated procedures.

1.6 Mr. Zhao Guorong, the Chairman, 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 Interim Report.

## 2 INTRODUCTION TO THE COMPANY

### 2.1 Basic corporate information

Abbreviated name of A Shares	ST 北人
A Shares stock code	600860
Place of listing of the A Shares	Shanghai Stock Exchange
Abbreviated name of H Shares	Beiren Printing
H Shares stock code	0187
Place of listing of the H Shares	The Stock Exchange of Hong Kong Limited

	<b>Secretary to the Board</b>	<b>Representative in charge of securities affairs</b>
Name	Jiao Ruifang	Lu Ruiping
Correspondence address	No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing, the PRC	No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing, the PRC
Telephone number	010-67802565	010-67802565
Facsimile number	010-67802570	010-67802570
Email address	beirengf@beirengf.com	beirengf@beirengf.com

## 2.2 Major financial data and indices

### 2.2.1 Major accounting data and financial indices

Unit: RMB

	By the end of the reporting period	By the end of the reporting period last year	Increase (+)/ decrease (-) (%)
Total assets	1,453,807,688.26	1,457,360,678.14	-0.24
Owner's interests (or shareholders' interests)	759,070,454.04	744,999,407.83	1.89
Net assets per share attributable to shareholders of listed company (RMB/share)	1.80	1.77	1.69
	For the reporting period (January – June)	For the same period last year	Increase(+)/ decrease(-) (%)
Operating profit	15,013,244.61	-21,883,475.92	N/A
Total profit	16,075,878.03	-14,538,850.61	N/A
Net profit attributable to shareholders of listed company	14,071,046.21	-14,968,604.70	N/A
Net profit attributable to shareholders of listed company after extraordinary items	13,285,348.49	-22,514,394.10	N/A
Basic earnings per share (RMB)	0.03	-0.04	N/A
Basic earnings per share after extraordinary items (RMB)	0.03	-0.05	N/A
Diluted earnings per share (RMB)	0.03	-0.04	N/A
Return on net assets on weighted average basis (%)	1.87	-2.09	Increased by 3.96 percentage points
Net cash flow from operating activities	-26,569,951.97	-24,588,414.42	N/A
Net cash flow per share from operating activities (RMB)	-0.06	-0.06	N/A

### 2.2.2 Extraordinary items

✓Applicable    ☐ Not Applicable

*Unit: RMB*

<b>Extraordinary items</b>	<b>Amount</b>
Profit/loss from disposal of non-current assets	-226,323.15
Government subsidy accounted into profit and loss for the current period (except for those closely associated with the operations of the Company which were accounted for in fixed amount or volume in compliance with the requirement of the policies of the State and in accordance with uniform standard of the state)	65,024.50
Profit/loss from debt restructuring	290,372.80
Other net non-operating income/expenses save for the above	933,559.27
Effect on minority interests (after tax)	276,935.70
Total	<u>785,697.72</u>

### 3 MOVEMENTS OF SHARE CAPITAL AND STATUS OF SHAREHOLDERS

#### 3.1 Changes in shareholding

✓ Applicable    ☐ Not Applicable

*Unit: share*

	Before the change		Increase (+)/decrease (-)				After the change		
	Number	Percentage (%)	Issue of new shares	Bonus issue	Conversion from reserve	Others	Sub-total	Number	Percentage (%)
I. Shares subject to trading moratorium									
1. State-owned shares									
2. State-owned legal person shares									
3. Other domestic shares									
Including: Domestic non-state-owned legal person shares									
Domestic public shares									
4. Foreign shares									
Including: Overseas legal person shares									
Overseas public shares									
II. Circulating shares not subject to trading moratorium									
1. Renminbi Ordinary shares	322,000,000	76.3						322,000,000	76.3
2. Foreign shares listed domestically									
3. Foreign shares listed overseas	100,000,000	23.7						100,000,000	23.7
4. Others									
III. Total shares	422,000,000	100						422,000,000	100

## About the approval of changes in shareholding

Under the Share Segregation Reform, the major shareholder of the Company, Beiren Group Corporation, has fulfilled all its undertakings. All the shares of the Company held by Beiren Group Corporation are circulating shares free from trading moratorium. As of the reporting period, Beiren Group Corporation held 201,640,000 shares of the Company, which are all circulating shares not subject to trading moratorium, representing 47.78 percent of the total share capital of the Company.

### 3.2 Number of shareholders and their shareholding

Unit: share

Total number of shareholders at  
the end of the reporting period

17,328 (including: 17,243 A share holders, 85 H share holders)

#### Particulars of top ten shareholders

Name of shareholder	Nature of shareholder	Percentage in share capital (%)	Number of shares held	Increase/Decrease during the reporting	Number of share-holdings subject to trading moratorium	Number of Shares pledged or frozen
Beiren Group Corporation	State-owned legal person	47.78	201,620,000		0	None
HKSCC NOMINEES LIMITED	Unknown	23.35	98,539,199	230,000	0	Unknown
CITIC Trust Co., Ltd-0808 Quanpei 03	Unknown	0.72	3,021,542	3,021,542	0	Unknown
China Foreign Economic and Trade Trust Co. Ltd. – Guomiao Phase 1 Trust Scheme	Unknown	0.54	2,259,000	139,800	0	Unknown
Rising Securities Co., Ltd.	Unknown	0.51	2,142,343	-261,562	0	Unknown
Zhong Chunming	Unknown	0.47	2,053,266	2,053,266	0	Unknown
Zhan Chunxin	Unknown	0.28	1,200,000	1,200,000	0	Unknown
Ashmore Investment Management Limited – Ashmore Greater China Fund	Unknown	0.26	1,104,905	0	0	Unknown
Kang Guoqiong	Unknown	0.21	900,000	-500,000	0	Unknown
Rao Jianping	Unknown	0.21	900,000	-86,700	0	Unknown

**Particulars of top ten holders of shares not subject to trading moratorium**

<b>Name of shareholder</b>	<b>Number of shares not subject to trading moratorium held</b>	<b>Class and amount of shares</b>
Beiren Group Corporation	201,620,000	Renminbi ordinary shares
HKSCC NOMINEES LIMITED	98,539,199	Foreign shares listed overseas
CITIC Trust Co.,Ltd-0808 Quanpei 03	3,021,542	Renminbi ordinary shares
China Foreign Economic and Trade Trust Co. Ltd. – Guomiao Phase I Trust Scheme	2,259,000	Renminbi ordinary shares
Rising Securities Co., Ltd.	2,142,343	Renminbi ordinary shares
Zhong Chunming	2,053,266	Renminbi ordinary shares
Zhan Chunxin	1,200,000	Renminbi ordinary shares
Ashmore Investment Management Limited – Ashmore Greater China Fund	1,104,905	Renminbi ordinary shares
Kang Guoqiong	900,000	Renminbi ordinary shares
Rao Jianping	900,000	Renminbi ordinary shares
Explanation of the connected relationship or action in concert among the aforesaid shareholders	As of the reporting period, shares subject to trading moratorium held by the Company were all listed for circulation in the market. The Company is not aware of any connected relationship among the aforesaid shareholders, nor is the Company aware of any parties acting in concert as defined in Measures for Management on Information Disclosure of Changes in Shareholdings of Listed Company's Shareholders.	

**Notes:**

1. Beiren Group Corporation is the major shareholder of the Company, no share of which are being pledged or frozen.
2. HKSCC Nominees Limited held shares on behalf of its clients and the Company has not been notified by HKSCC Nominees Limited that there was any holder of H Shares who individually held more than 5% of the total share capital of the Company.
3. Save as disclosed above, as at 30 June 2011, the directors were not aware of any person (not being a director, supervisor or chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (“SFO”) or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.
4. There is no provision for pre-emptive rights under the laws of the PRC and the Articles of Association of the Company.
5. As at 30 June 2011, the Company did not issue any convertible securities, options, warrants or any other similar right.

### 3.3 Changes in status of controlling shareholder and beneficial controller

☐ Applicable    ☒ Not Applicable

## 4 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### 4.1 Changes in shareholding of directors, supervisors and senior management

☒ Applicable    ☐ Not Applicable

*Unit: share*

Name	Position	Shareholding at the beginning of the year	Increase in the no. of shares held during the reporting period	Decrease in the no. of shares held during the reporting period	Shareholding at the end of the reporting period	Reason for the change
Zhao Guorong	Chairman	0	0	0	0	—
Zhang Peiwu	Executive Director and General Manager	0	0	0	0	—
Teng Mingzhi	Non-executive Director	0	0	0	0	—
Wang Bei	Non-executive Director	0	0	0	0	—
Li Shenggao	Non-executive Director	0	0	0	0	—
Wei Li	Non-executive Director	0	0	0	0	—
Duan Yuangang	Executive Director and Chief Accountant	0	0	0	0	—
Xu Wencai	Independent non-executive Director	0	0	0	0	—
Wang Hui	Independent non-executive Director	0	0	0	0	—
Xie Bingguang	Independent non-executive Director	0	0	0	0	—
Wang Deyu	Independent non-executive Director	0	0	0	0	—
Wang Liansheng	Chairman of Supervisory Committee	0	0	0	0	—
Guo Xuan	Supervisor	0	0	0	0	—
Wang Huiling	Supervisor	0	0	0	0	—
Jiao Ruifang	Secretary to the Board	0	0	0	0	—
Kong Dagang	Deputy General Manager	0	0	0	0	—
Chen Changge	Deputy General Manager	0	0	0	0	—

Notes:

- (1) Save as disclosed above, none of the directors, supervisors and senior management of the Company, as at 30 June 2011, had any interest or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of the SFO), which was required to be recorded in the register under section 352 of the SFO, nor which would have to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.
- (2) None of the directors, supervisors and senior management of the Company or their respective associates was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or had exercised any such right as at 30 June 2011.
- (3) Save as those set out in the register required to be maintained by directors and supervisors under section 352 of the SFO, during the reporting period, the Company had not engaged in any arrangement which would enable the directors or supervisors of the Company or their respective associates to acquire any interest in any shares or debt securities of the Company, nor did the directors or supervisors had any interest which was required to be recorded in the register under section 352 of the SFO.

## **4.2 Appointment or dismissal of Directors, supervisors and senior management**

☒ Applicable    ☐ Not Applicable

The 2010 Annual General Meeting of the Company was held on 18 May 2011, at which re-election of the Board of Directors of the Company and re-election of the Supervisory Committee of the Company were considered and approved. Mr. Zhao Guorong, Mr. Zhang Peiwu and Mr. Duan Yuangang were elected as Executive Directors of the seventh Board of Directors of the Company; Mr. Teng Mingzhi, Ms. Wang Bei, Mr. Li Shenggao and Ms. Wei Li were elected as Non-executive Directors of the seventh Board of Directors of the Company; Mr. Xu Wencai, Ms. Wang Hui, Mr. Xie Bingguang and Mr. Wang Deyu were elected as Independent Non-executive Directors of the seventh Board of Directors of the Company; Mr. Wang Liansheng, Mr. Guo Xuan and Ms. Wang Huiling were elected as supervisors of the seventh Supervisory Committee.

After consideration and approval in the First Session of the seventh Board of Directors' Meeting, Mr. Zhao Guorong was elected as Chairman of the seventh Board of Directors of the Company. After consideration and approval in the First Session of the seventh Board of Directors' Meeting, Mr. Zhao Guorong, Mr. Xu Wencai, Mr. Zhang Peiwu, Mr. Teng Mingzhi and Mr. Duan Yuangang were voted as the members of the Strategic Committee of the Board, with Mr. Zhao Guorong as the convenor; Mr. Xu Wencai, Ms. Wang Hui and Ms. Wei Li were voted as the members of the Nomination Committee, with Mr. Xu Wencai as the convenor; Mr. Wang Deyu, Mr. Xie Bingguang and Mr. Li Shenggao were voted as the members of the Audit Committee, with Mr. Wang Deyu as the convenor; Ms. Wang Hui, Mr. Wang Deyu and Mr. Zhao Guorong were voted as the members of Remuneration and Monitoring Committee, with Ms. Wang Hui as the convenor.

As nominated by the Chairman and after consideration and approval in the First Session of the seventh Board of Directors' Meeting, Mr. Zhang Peiwu was appointed as General Manager of the Company, and Ms. Jiao Ruifang was appointed as the secretary to the Board of the Company. As nominated by the General Manager, Mr. Kong Dagang and Mr. Chen Changge were appointed as Deputy General Managers of the Company, and Mr. Duan Yuangang was appointed as Chief Accountant of the Company.

After consideration and approval in the First Session of the seventh Supervisory Committee's Meeting, Mr. Wang Liansheng was elected as the Chairman of the seventh Supervisory Committee of the Company.

The terms of office of all the above personnel are three years from 18 May 2011 to the closing of the 2013 Annual General Meeting.

## **5 DIRECTORS' REPORT**

### **5.1 Management discussion and analysis**

#### *(1) DISCUSSION AND ANALYSIS OF OVERALL OPERATION DURING THE REPORTING PERIOD*

During the reporting period, in the face of the complex and ever-changing global and local economic environment, the State's macro-control policies and measures with the aim of "adjusting structure, earning growth and controlling inflation", stepped up the pace to change the way of development of the country and the effort to adjust the structure of the country. On the international level, the financial market has been fluctuating, some deep-seated contradictions which led to crisis have not been eradicated, recovery of the US economy was slower than expected and the sovereign debt crisis of peripheral countries in the Euro zone was still tense. In the printing machinery industry, due to factors such as price increase, labour cost increase and the intense competition of printing price in the first half of the year, the demand for printing machineries by printing companies was affected to a certain extent. Moreover, after the appreciation of RMB, the entry of foreign printing machineries made the competition even more fierce.

Confronted with the fierce competition domestically and internationally, the Company closely monitored the market, grasped the market pulse and observantly grasped the opportunities of the great demand for multi-colour single paper printing machine and sheet-coiling newspaper printing machine. The Company reacted promptly to organize production so as to meet the market demand as much as possible, and initial success for the structural adjustment of products was achieved. As at the end of the reporting period, the operating income prepared in accordance with the PRC Accounting Standards was RMB425,071,300, up by 9.94% as compared with the previous reporting period. Net profit attributable to shareholders of the listed company was RMB14,071,000, up by 194% as compared with the previous reporting period.

## *(2) REVIEW OF MAJOR EVENTS DURING THE FIRST HALF OF 2011*

- 1. Adherence to technology innovation, acceleration in adjustment of product structure and continuous enhancement of product competitiveness*

During the reporting period, the Company actively developed new products, enhanced market competitiveness and increased market shares with good progress. Mass production has started for the newly developed N525 two-colour offset machine and N530 two-sided offset machine. The sheet-coiling B624 book printing machine has been evaluated by the Company and can enter the market. During the period, through the organization of the “innovate in technology, lower cost” event and a series of events in technology week, the sense for innovation of the technical staff was strengthened which accelerated the pace of product structure adjustment.

- 2. Strengthening of marketing channel management, improvement of the service system, strengthening of market information management and enhancement of planning completion*

During the reporting period, the Company further refined the division of marketing region. The promotion of the multi-colour machine and new products, the relevant customer training and services were organized in accordance with the marketing region. At the same time, market research was actively organized, sales plans were kept being adjusted and resolute measures were taken according to market changes so as to ensure smooth implementation.

- 3. Strengthening of capital management, reduction of capital occupied and enhancement of efficiency in use of capital*

During the reporting period, the Company successfully balanced production and sales through different methods, hence significantly reduced the capital occupied by inventories and achieved healthy flow of capital. At the same time, we strengthened capital management and put more effort in the collection of accounts receivables. We implemented responsibility to people and to the accounts, so as to ensure the realization of strategic goals of the Company. The financial, material and human resources were reasonably distributed, such that the efficiency in the use of capital can be enhanced.

- 4. Strengthening of overall budget management, raising the economic efficiency of the enterprise*

During the reporting period, the Company strengthened the analysis, examination and supervision over the execution of the budget. We strictly controlled and managed the expenses, reinforced the process control and post-hoc analysis of the budget.

The budget management skill sense of forming a budget and sense of cost were kept enhancing, in order to raise the economic efficiency of the enterprise in different aspects.

5. *Reinforcing quality management, enhancing the competitiveness of the Company's products*

During the reporting period, the Company established a comprehensive ISO9000 quality management system, enhanced quality analysis and improvement works. We started the 2011 quality management project, raised product quality and reduced quality loss so as to keep improving the product quality and quality management of the Company.

6. *Deepening the reform, starting process management works, reinforcing internal control and management and standardizing operation practices*

During the reporting period, the Company conducted a general review of the work flows, and a process management team was established. Through the review of the Company's core business and the subsidiaries' business, certain risk factors were identified in the five major business processes: production, quality control, research & development, sales and finance. The internal control and management mechanism of the Company was consolidated by codified rules.

(3) *Business outlook for the second half of 2011*

In the second half of the year, due to the increase of labour cost and resources product prices, uncertainties on the State's economic development still exist. As the State's stimulus policies are fading out, the effort on macro-control is increased, and the supply of money and land are tightened, the growth of the economy started to slow down. Under these impacts, the printing and publication industries showed a different development trend. In the "12-5" development plan of the printing industry, the General Administration of Press and Publication of the State made green, low-carbon, digital printing and printing digitization process as the development directions of the printing industry. The press, Xinhua and the publication groups in the economically developed regions all join force to prepare for the formation of a large-scale trans-regional and cross-industry news publication group. From the various data analyses in the first half of 2011, the Company expects that there would be changes in demand in the printing machinery market. In the face of the above impacts, the Company will implement the following measures to actively respond to market challenges.

1. *Adherence to the "12-5" strategy with active implementation*

The Company will set various strategic goals (such as product portfolios) according to the "12-5" strategy, keep track of each goal and actively implement strategic measures. In order to strengthen the printing machinery industry, we will look for integration

opportunities in new technology, products, skills and services to guarantee the implementation and progress in achieving our overall strategic objectives.

2. *Accelerating technological advancement, facilitating product structure adjustment, enhancing the Company's competitive advantage*

The Company will integrate the multi-colour machine series, satisfy the growing demand in the packaging market, and fully promote the mass marketization of folio double flat paper multi-colour offset machine; we will adhere to technological innovation, earnestly establish the subjective consciousness for technological innovation, rely firmly on the domestic and foreign sources of technology, increase the effort in innovation, optimize the technology line and guarantee the consistency of product quality.

3. *Strengthening marketing management, ensuring that sales targets are met*

The Company will conduct market classification and customer classification. We will improve the quality of data collection and analysis, so as to ensure that the production resources can be in line with market pace; we will put more effort in the collection of accounts receivables, so as to accelerate the back flow of capital; we will allocate resources to hot markets to ensure that the targets of the year are met.

4. *Building up and optimizing supply chain to lay a foundation for the Company's long-term development*

The Company will formulate and implement an evaluation programme for the supply chain of the Company; besides the existing suppliers, we will introduce good quality suppliers to expand our choice of suppliers; we will fully utilize the strategic platform for resources, mobilize the inventories, reduce the occupation of capital, keep enhancing and optimizing the supply chain, so as to lay a solid foundation for the long-term development of the Company.

5. *Keep reinforcing informationization, raising the informationized management level of the Company*

The Company will realize the connection to the ERP system, develop a scientific, human-based and smooth working interface in order to raise work efficiency; we will fully utilize information technology to improve management methods, further improve the web signature system, and facilitate the building of an information management system; we will keep building and updating the website of the Company and enhance the informationized management level of the Company.

6. *Vigorously promoting standardized safety assessment, building up a long-term production safety mechanism*

The Company will carry out the works related to production safety according to the standardized safety requirement of first class enterprise stipulated by the State. We will

reinforce the sense of production safety, highlight the importance of production safety, and reinforce the effort on production safety.

## 5.2 Principal operation by product and sector

*Unit: RMB*

By product	Operating income	Operating cost	Operating profit margin (%)	Increase (/Decrease) in operating income over last year (%)	Increase (/Decrease) in operating cost over last year (%)	Increase (/Decrease) in operating profit margin over last year (%)
Sales of set print machines	186,607,649.22	145,726,276.16	2.53	-12.10	-17.50	Increased by 6.65 percentage points
Sales of Intrusion printers	175,938,007.88	133,455,169.12	5.08	26.36	25.65	Increased by 3.48 percentage points
Sales of Form presses	30,987,179.48	25,838,591.90	2.49	42.44	38.60	Increased by 0.78 percentage points
Total	393,532,836.58	305,020,037.18	3.67	5.43	1.17	Increased by 5.32 percentage points

## 5.3 Principal operation by geographical segment

*Unit: RMB*

Region	Operating income	Increase/decrease in operating income over last year (%)
PRC	382,268,613.24	5.85
Outside PRC	11,264,223.34	-7.11

## 5.4 Explanation on material movements in principal operation and its structure

☐ Applicable ☒ Not Applicable

## 5.5 Explanation on major movements in the profitability of principal operation (gross profit margin) compared to the previous year

☐ Applicable ☒ Not Applicable

## 5.6 Explanation on major movements in profit structure compared to the previous year

☐ Applicable    ☒ Not Applicable

## 5.7 Segment Information

More than 90% of the revenues and profits of the company from domestic manufacturing and sale of the presses, so the company's management considers there is no need for the Segment Information.

## 5.8 Taxation

*Unit: RMB'000*

**Jan-Jun 2011**    Jan-Jun 2010

The taxation comprises:

PRC income tax ("EIT")

Current period	<b>0</b>	103
Deferred	<b>118</b>	0

On 16 March 2007, the PRC promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council issued Implementation Regulation of the New Law. The New Law and its Implementation Regulation changed the tax rate of the Company and certain of its PRC subsidiaries to 25% from 1 January 2008 onwards.

Starting from 1 January 2008, EIT of the Company is calculated at the rate of 25% (2009: 25%) of the estimated assessable profits for the year. In accordance with the relevant rules and regulations in the PRC, except for Shaanxi Beiren Printing Machinery Company Limited ("Shaanxi Beiren"), all other PRC subsidiaries are subject to EIT at a rate of 25% (2010: 25%).

According to document (Guoshuifa [2002] 47) and document (Caishuizi [2008] 21) "Notice of Application of Transitional Preferential Policy on Enterprises Income Tax" issued by the State Administration of Taxation on 10 May 2002 and 4 February 2008 respectively, the applicable income tax rate of Shaanxi Beiren is 15% (2010: 15%).

According to document (Jingshuiwaipifu [2002] 1-11) issued by the foreign tax bureau of Beijing State Administration of Taxation, the applicable income tax rate of Beiren Fuji is 24% from 2001. In addition, according to document (Guoshuizhishuijianmianzi [2006] 0002) issued by the tax bureau directly under Beijing State Administration of Taxation, Beiren Fuji is levied at half of the income tax from 2006 to 2008. Consequently the income tax of Beiren Fuji is charged at the rate of 12% on the estimated assessable profits for the year ended 31 December 2008. Starting from 1 January 2009, the applicable tax rate of Beiren Fuji is 25%.

## 5.9 Net profit

*Unit: RMB*

	<b>Jan-Jun 2011</b>	Jan-Jun 2010
Net profit attributable to shareholders of listed company	<b>14,071,046.21</b>	-14,968,604.70

## 5.10 Dividends

No dividend was paid or proposed for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil), nor has any dividend been proposed since the end of the reporting period.

## 5.11 Earning per share

*Unit: RMB*

Items	Number	Jan-Jun 2011	Jan-Jun 2010
Net profit for equity holders of the Company	1	14,071,046.21	-14,968,604.70
Net profit of extraordinary items for equity holders of the Company	2	785,697.72	7,545,789.40
Net profit for equity holders of the Company after extraordinary items	3=1-2	13,285,348.49	-22,514,394.10
Total number of shares at the beginning of the period	4	422,000,000.00	422,000,000.00
Number of shares increased by converting surplus reserve into share capital (I)	5		
Number of shares increased by issuing new shares or shares converted from debentures (II)	6		
Share increase (II) number of months from next month to the end of the reporting period	7		
Number of shares decreased by buyback	8		
Share decrease Number of months from next month to the end of the reporting period	9		
Number of shares decreased by shrinking	10		
Number of Months in the reporting period	11	6	6
Ordinary shares on weighted average basis	$12=4+5+6\times7\div11-8\times9\div11-10$	422,000,000.00	422,000,000.00
<b>Basic earning per share (I)</b>	$13=1\div12$	0.03	-0.04
<b>Basic earning per share (II)</b>	$14=3\div12$	0.03	-0.05
Dividends of diluted convertible ordinary shares as expense	15		
Conversion expense	16		
Income tax	17		
Number of shares increased by options or warrants	18		
<b>Diluted earning per share (I)</b>	$19=[1+(15-16)\times(1-17)]\div(12+18)$	0.03	-0.04
<b>Diluted earning per share (II)</b>	$19=[3+(15-16)\times(1-17)]\div(12+18)$	0.03	-0.05

## 5.12 Share capital

*Unit: RMB*

Registered, issued and fully paid:

At 1 January 2010, 31 December 2010 and 30 June 2011

332,000,000 A shares of RMB 1 each	322,000,000
100,000,000 H shares of RMB 1 each	100,000,000
	422,000,000

## 5.13 Contingent liabilities

As at 30 June 2011, the Company did not have any material contingent liabilities.

## 5.14 Use of proceeds

### *5.14.1 Utilization of proceeds*

☐ Applicable    ☒ Not Applicable

### *5.14.2 Changes of items*

☐ Applicable    ☒ Not Applicable

## 5.15 Projects financed by non-raised funds

The Company did not have any non-raised fund item during the reporting period.

## 5.16 The Board's revised operating plan for the second half of the year

☐ Applicable    ☒ Not Applicable

**5.17 Warning and explanation on expected accumulated net profit for the period (from the beginning of the year till the end of the next reporting period) might turn into loss or vary significantly from the same period last year**

☐ Applicable    ☒ Not Applicable

**5.18 The Board's explanation on the "modified auditor's report" prepared by the accountants for the reporting period**

☐ Applicable    ☒ Not Applicable

**5.19 The Board's explanation on movements in issues relating to the "modified auditor's report" prepared by the accountants for the previous year and how such movements are dealt with**

☐ Applicable    ☒ Not Applicable

## **6. SIGNIFICANT EVENTS**

### **6.1 Acquisition of assets**

☐ Applicable    ☒ Not Applicable

### **6.2 Disposal of assets**

☐ Applicable    ☒ Not Applicable

### 6.3 Guarantee

✓ Applicable    ☐ Not Applicable

*Unit: RMB0'000*

**Guarantee provided to external parties by the Company  
(not including guarantee provided to the controlling subsidiaries of the Company)**

Total amount of guarantee provided during the reporting period —

Total amount of outstanding guarantee provided as —  
at the end of the reporting period

**Guarantee provided to the subsidiaries of the Company**

Total amount of guarantee provided to the controlling —  
subsidiaries during the reporting period

Total amount of outstanding guarantee provided to the 1,000  
controlling subsidiaries as at the end of the reporting period

**Total amount of guarantee granted by the Company  
(including guarantee provided to the controlling subsidiaries of the Company)**

Total amount of guarantee 1,000

Percentage of the total amount of guarantee to 1.32%  
the net assets of the Company

Of which:

Amount of guarantee provided to the shareholders, —  
beneficial controller and their connected parties

Amount of guarantee provided directly or indirectly to —  
borrowers with gearing ratio of over 70%

Total amount of guarantee exceeding 50% of net assets —

Total amount of the above three guarantees —

## 6.4 Non-operating connected debts and liabilities

☒ Applicable    ☐ Not Applicable

*Unit: RMB*

Name of connected party	Connection	Capital provided to connected parties		Capital provided to the listed company by connected parties	
		Incurred amount	Balance	Incurred amount	Balance
Beijing Mitsubishi Heavy Industries Beiren Printing Machinery Co., Ltd	An associate	-1,793,559.08	0	-20,651,316.66	0
Beijing Jincheng Industrial Logistics Limited	Subsidiary of the beneficial controller	6,938,530.12	6,938,530.12		
Beiren Group Corporation	Parent company	-1,629,191.08	0	-106,773.52	1,140,546.04
Beijing Beiyong Casting Company Limited	An associate			680,133.58	2,680,133.58
Haimen Beirenfuji Printing Machinery Company Limited	Controlling subsidiary of the parent company	-378,729.71	0	21,270.29	21,270.29
Beijing Monigraf Automations Co., Ltd	An associate	-125,931.60	25,061.40	7,700,947.56	11,171,930.71
Total		3,011,118.65	6,963,591.52	-12,355,738.75	15,013,880.62

Explanation: As of 26 July 2011, trade receivables in the amount of RMB6,938,530.12 owed by Beijing Jincheng Industrial Logistics Limited has been collected in full.

## 6.5 Material litigation and arbitration

☐ Applicable    ☒ Not Applicable

## 6.6 Analysis and explanation on other significant events and their impact and solutions

### 6.6.1 Security investment

☐ Applicable    ☒ Not Applicable

**6.6.2 Holding of equity in other listed companies**

☐ Applicable    ☒ Not Applicable

**6.6.3 Holding of equity in non-listing financial enterprises**

☐ Applicable    ☒ Not Applicable

**6.6.4 Analysis and explanation on other significant events and their impact and solutions**

☒ Applicable    ☐ Not Applicable

1. The applicable enterprise income tax rate for the Company for the reporting period is 25%.
2. The unaudited 2011 Interim Report of the Company has been reviewed by the audit committee under the Board of Directors of the Company.
3. During the reporting period, the Company was in compliance with the code provisions in the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
4. During the reporting period, the Company has adopted a set of standard code of conduct regarding securities transactions by directors and supervisors on terms no less exacting than the standards set out in the Model Code contained in Appendix 10 to the Listing Rules. Having made specific enquiry to all directors and supervisors, the Company confirmed that each of the directors and supervisors has complied with the required standards regarding securities transactions by directors as set out in the Model Code during the six months ended 30 June 2011.
5. During the reporting period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.
6. During the reporting period, the joint venture contract between the Company and its associate Beijing Mitsubishi Heavy Industries Beiren Printing Machinery Co., Ltd and its articles of association were terminated. Liquidation has commenced, and that company is carrying out deregistration procedures according to the relevant legal requirements of the State.

## 7 FINANCIAL REPORT

### 7.1 Auditor's opinion

The interim financial report of the Company is unaudited.

### 7.2 Financial statements

#### The Consolidated Balance Sheet

June 30, 2011

Beiren Printing Machinery Holdings Limited

Unit: RMB

Assets	Appendix	June 30, 2011	December 31, 2010
<b>Current Assets:</b>			
Cash	VIII.1	86,550,048.91	119,043,008.51
Tradable Financial Assets			
Notes Receivable	VIII.2	14,119,532.88	35,414,560.16
Accounts Receivable	VIII.3	229,899,501.14	203,110,996.56
Advances to Suppliers	VIII.4	30,266,677.24	19,783,787.32
Interests Receivable			
Dividends Receivable			
Other Accounts Receivable	VIII.5	24,084,972.50	18,269,692.57
Inventory	VIII.6	374,545,331.98	349,628,293.09
Non-current Assets Maturing within one year			
Other Current Assets			
<b>Total Current Assets</b>		<b>759,466,064.65</b>	<b>745,250,338.21</b>
<b>Non-current Assets:</b>			
Financial Assets Available for Sale			
Holding to Maturity Investment			
Long-term Accounts Receivable			
Long-term Equity Investment	VIII.7	15,580,187.62	15,567,084.36

**The Consolidated Balance Sheet (Continued)**
*Unit: RMB*

<b>Assets</b>	<i>Appendix</i>	<b>June 30, 2011</b>	<b>December 31, 2010</b>
Investment Property	<i>VIII.8</i>	6,833,214.35	6,927,332.93
Fixed Assets	<i>VIII.9</i>	551,865,633.14	568,054,568.92
Construction in Progress	<i>VIII.10</i>	2,912,254.21	2,945,090.11
Project Materials			
Disposal of Fixed Assets			
Intangible Assets	<i>VIII.11</i>	105,159,845.37	106,507,925.87
Goodwill			
Long-term Prepayments	<i>VIII.12</i>	9,367,320.00	9,367,320.00
Deferred Income Tax Assets	<i>VIII.13</i>	2,623,168.92	2,741,017.74
Other Non-current Assets			
Total Non-current Assets		694,341,623.61	712,110,339.93
<b>Total Assets</b>		<b>1,453,807,688.26</b>	<b>1,457,360,678.14</b>
<b>Current Liabilities:</b>			
Short-term Loan	<i>VIII.15</i>	162,000,000.00	139,750,000.00
Tradable Financial Liabilities			
Notes Payable	<i>VIII.16</i>	12,000,000.00	14,000,000.00
Accounts Payable	<i>VIII.17</i>	277,793,582.22	298,873,675.48
Advances from Customers	<i>VIII.18</i>	101,680,417.42	97,701,982.19
Employee Benefit Payable	<i>VIII.19</i>	40,890,352.34	50,202,158.38
Taxes Payable	<i>VIII.20</i>	6,069,164.23	8,844,991.23
Interests Payable		320,104.17	133,487.50
Dividends Payable			
Other Payables	<i>VIII.21</i>	56,491,627.27	48,964,316.34
Non-current Liabilities Maturing within one year			
Other Current Liabilities	<i>VIII.22</i>	857,016.57	1,906,616.57
<b>Total Current Liabilities</b>		<b>658,102,264.22</b>	<b>660,377,227.69</b>

**The Consolidated Balance Sheet (Continued)***Unit: RMB*

<b>Assets</b>	<i>Appendix</i>	<b>June 30, 2011</b>	<b>December 31, 2010</b>
<b>Non-Current Liabilities:</b>			
Long-term Loan	<i>VIII.23</i>	0.00	18,000,000.00
Bonds Payable			
Long-term Accounts Payable			
Special Payable	<i>VIII.24</i>	16,468,472.97	15,704,528.59
Estimated Liabilities	<i>VIII.25</i>	592,807.38	592,807.38
Deferred Income Tax Liabilities			
Other Non-current Liabilities	<i>VIII.26</i>	1,573,292.21	1,573,292.21
Total Non-current Liabilities		18,634,572.56	35,870,628.18
<b>Total Liabilities</b>		676,736,836.78	696,247,855.87
<b>Shareholder's Equity:</b>			
Stock	<i>VIII.27</i>	422,000,000.00	422,000,000.00
Capital Reserves	<i>VIII.28</i>	522,877,777.87	522,877,777.87
Less: Treasury Stock			
Special Reserve			
Surplus Reserves	<i>VIII.29</i>	43,172,707.88	43,172,707.88
General Risk Reserves			
Undistributed Profit	<i>VIII.30</i>	-228,980,031.71	-243,051,077.92
Converted Difference in Foreign Currency Statements			
Total Shareholder's Equity Attributed to the Parent		759,070,454.04	744,999,407.83
Minority Shareholder's Equity	<i>VIII.31</i>	18,000,397.44	16,113,414.44
<b>Total Shareholder's Equity</b>		777,070,851.48	761,112,822.27
<b>Total Liabilities and Shareholder's Equity</b>		1,453,807,688.26	1,457,360,678.14

Legal Person: Zhao Guorong    Accounting Director: Zhang Peiwu

Accounting Manager: Duan Yuangang

## The Balance Sheet of the Parent

June 30, 2011

Beiren Printing Machinery Holdings Limited

Unit: RMB

Assets	Appendix	June 30, 2011	December 31, 2010
<b>Current Assets:</b>			
Cash		50,500,667.89	74,222,278.37
Tradable Financial Assets			
Notes Receivable		14,069,532.88	26,668,560.16
Accounts Receivable	XVI.1	166,976,065.69	154,601,863.77
Advances to Suppliers		5,581,760.14	806,136.63
Interests Receivable		179,275.00	—
Dividends Receivable			
Other Accounts Receivable	XVI.2	13,330,444.37	9,406,209.57
Inventory		246,881,031.65	231,094,440.03
Non-current Assets Maturing within one year			
Other Current Assets		80,000,000.00	—
<b>Total Current Assets</b>		<b>577,518,777.62</b>	<b>496,799,488.53</b>
<b>Non-current Assets:</b>			
Financial Assets Available for Sale			
Holding to Maturity Investment			
Long-term Accounts Receivable			
Long-term Equity Investment	XVI.3	165,392,886.88	165,379,783.62
Investment Property		6,833,214.35	6,927,332.93
Fixed Assets		430,567,965.13	443,749,651.03
Construction in Progress		1,682,761.53	1,580,197.43
Project Materials			
Disposal of Fixed Assets			
Intangible Assets		85,549,384.13	86,668,493.77
Goodwill			
Long-term Prepayments		9,367,320.00	9,367,320.00
Deferred Income Tax Assets			
Other Non-current Assets			
<b>Total Non-current Assets</b>		<b>699,393,532.02</b>	<b>713,672,778.78</b>
<b>Total Assets</b>		<b>1,276,912,309.64</b>	<b>1,210,472,267.31</b>

**The Balance Sheet of the Parent (Continued)***Unit: RMB***Liabilities and Shareholder's Equity** *Appendix***June 30, 2011****December 31, 2010****Current Liabilities:**

Short-term Loan	150,000,000.00	70,000,000.00
Tradable Financial Liabilities		
Notes Payable		
Accounts Payable	191,276,491.12	212,325,442.83
Advances from Customers	10,758,151.72	8,698,989.63
Employee Benefit Payable	21,251,989.49	29,469,396.62
Taxes Payable	3,222,070.07	5,563,471.31
Interests Payable	320,104.17	133,487.50
Dividends Payable		
Other Payables	70,222,550.84	60,515,233.00
Non-current Liabilities Maturing within one year		
Other Current Liabilities	656,816.01	1,356,816.01
<b>Total Current Liabilities</b>	<b>447,708,173.42</b>	<b>388,062,836.90</b>

**Non-Current Liabilities:**

Long-term Loan		
Bonds Payable		
Long-term Accounts Payable		
Special Payable	9,885,005.30	9,618,808.71
Estimated liabilities	592,807.38	592,807.38
Deferred Income Tax Liabilities		
Other Non-current Liabilities	656,815.99	656,815.99
<b>Total Non-current Liabilities</b>	<b>11,134,628.67</b>	<b>10,868,432.08</b>
<b>Total Liabilities</b>	<b>458,842,802.09</b>	<b>398,931,268.98</b>

**Shareholder's Equity:**

Stock	422,000,000.00	422,000,000.00
Capital Reserves	518,165,762.89	518,165,762.89
Less: Treasury Stock		
Special Reserve		
Surplus Reserves	38,071,282.24	38,071,282.24
General Risk Reserves		
Undistributed Profit	-160,167,537.58	-166,696,046.80
<b>Converted Difference in Foreign Currency Statements</b>	<b>818,069,507.55</b>	<b>811,540,998.33</b>
<b>Total Shareholder's Equity Attributed to the Parent</b>	<b>1,276,912,309.64</b>	<b>1,210,472,267.31</b>

Legal Person: Zhao Guorong    Accounting Director: Zhang Peiwu

Accounting Manager: Duan Yuangang

## The Consolidated Income Statement

Jan-Jun, 2011

Beiren Printing Machinery Holdings Limited

Unit: RMB

Items	Appendix	Jan-Jun, 2011	Jan-Jun, 2010
1. Total Operating Income		425,071,264.38	386,643,784.74
Including: Operating Income	VIII.32	425,071,264.38	386,643,784.74
2. Total Operating Cost		410,071,123.03	409,049,258.40
Including: Operating Cost	VIII.32	330,251,225.44	311,843,927.95
Tax and Additional Expense	VIII.33	2,824,227.16	2,875,173.70
Sales Expense		26,144,621.20	28,253,311.50
Administration Expense		44,546,076.89	47,836,460.29
Financial Expense	VIII.34	4,965,214.87	9,320,554.51
Assets Impairment Losses	VIII.35	1,339,757.47	8,919,830.45
Add: Income of Fair Value Change (loss marked "-")			
Investment Income (loss marked "-")	VIII.36	13,103.26	521,997.74
Thereinto: Investment Income to Subsidiaries and Joint Venture		13,103.26	211,196.23
Exchange Gain and Loss (loss marked "-")			
3. Operating Profit (loss marked "-")		15,013,244.61	-21,883,475.92
Add: Non-operating Income	VIII.37	1,360,269.67	7,692,537.65
Less: Non-operating Expense	VIII.38	297,636.25	347,912.34
Thereinto: Disposal Loss of Non-current Assets		226,673.15	105,576.78
4. Total Profit (loss marked "-")		16,075,878.03	-14,538,850.61
Less: Income Tax Expense	VIII.39	117,848.82	102,651.31
5. Net Profit		15,958,029.21	-14,641,501.92
Thereinto: Net Profit Attributed to the Parent's Shareholders		14,071,046.21	-14,968,604.70
Minority Shareholder's Equity		1,886,983.00	327,102.78

## The Consolidated Income Statement (Continued)

Beiren Printing Machinery Holdings Limited

Unit: RMB

Items	Appendix	Jan-Jun, 2011	Jan-Jun, 2010
6. Earnings Per Share:		—	—
(1) Basic Earnings Per Share		0.03	-0.04
(2) Earnings Per Diluted Share		0.03	-0.04
7. Other Comprehensive Income			
8. Total Comprehensive Income		15,958,029.21	-14,641,501.92
Total Comprehensive Income of the Parent's Shareholders		14,071,046.21	-14,968,604.70
Total Comprehensive Income of the Minority Shareholders		1,886,983.00	327,102.78

Legal Person: Zhao Guorong    Accounting Director: Zhang Peiwu

Accounting Manager: Duan Yuangang

## The Income Statement of the Parent

Jan-Jun, 2011

Beiren Printing Machinery Holdings Limited

Unit: RMB

Items	Appendix	Jan-Jun, 2011	Jan-Jun, 2010
1. Total Operating Income	XVI.4	213,483,873.40	210,459,270.59
Less: Operating Cost	XVI.4	165,642,395.37	174,859,726.95
Tax and Additional Expense		1,824,671.96	2,068,758.06
Sales Expense		9,817,189.41	11,844,903.83
Administration Expense		25,569,361.91	28,093,384.73
Financial Expense		2,104,301.02	6,082,461.44
Assets Impairment Losses		2,229,757.47	8,419,440.45
Add: Income of Fair Value Change (loss marked "-")			
Investment Income (loss marked "-")	XVI.5	13,103.26	-14,838,803.77
Thereinto: Investment Income to Subsidiaries and Joint Venture		13,103.26	211,196.23
2. Operating Profit (loss marked "-")		6,309,299.52	-35,748,208.64
Add: Non-operating Income		290,172.80	9,729,632.82
Less: Non-operating Expense		70,963.10	96,429.71
Thereinto: Disposal Loss of Non-current Assets			96,429.71
3. Total Profit (loss marked "-")		6,528,509.22	-26,115,005.53
Less: Income Tax Expense			
4. Net Profit		6,528,509.22	-26,115,005.53

Legal Person: Zhao Guorong    Accounting Director: Zhang Peiwu

Accounting Manager: Duan Yuangang

## The Consolidated Cash Flow Statement

Jan-Jun, 2011

Beiren Printing Machinery Holdings Limited

Unit: RMB

Items	Appendix	Jan-Jun, 2011	Jan-Jun, 2010
<b>1. Cash flow from Operating Activities:</b>			
Cash receipts from the sale of goods and the rendering of services		358,052,927.29	327,419,071.50
Receipts of taxes and levy refunds		728,318.88	165,759.86
Other Cash receipts in operating activities	VIII.41	19,725,436.57	21,431,293.06
<b>Subtotal Cash Flow-in from Operating Activities</b>		378,506,682.74	349,016,124.42
Cash payments for goods and services acquired		249,320,394.56	218,692,243.43
Cash payments to and on behalf of employees		100,811,750.27	93,744,735.49
Payments of taxes and levy		29,106,642.82	38,301,733.59
Other cash payments from Operating Activities	VIII.41	25,837,847.06	22,865,826.33
<b>Subtotal Cash Flow-out from Operating Activities</b>		405,076,634.71	373,604,538.84
<b>Net Cash Flow from Operating Activities</b>		-26,569,951.97	-24,588,414.42
<b>2. Cash Flow from Investing Activities:</b>			
Cash receipts from return of investments			350,000.00
Cash receipts from investment income			
Net cash receipts from the sale of fixed assets, intangible assets and other long-term assets		350.00	70,199.99
Net cash receipts from disposal of subsidiaries and other business units	VIII.41		
Other cash receipts in investing activities			
<b>Total Cash Flow-in from Investing Activities</b>		350.00	420,199.99
Cash payments to acquired fixed assets, intangible assets		3,261,818.17	1,290,207.43
Cash payments to acquired investments			
Other cash payments in investing activities		—	305,333.49
<b>Total Cash Flow-out from Investing Activities</b>		3,261,818.17	1,595,540.92
<b>Net Cash Flow from Investing Activities</b>		-3,261,468.17	-1,175,340.93

<b>The Consolidated Cash Flow Statement (Continued)</b>		<i>Unit: RMB</i>	
<b>Items</b>	<i>Appendix</i>	<b>Jan-Jun, 2011</b>	<b>Jan-Jun, 2010</b>
<b>3. Cash Flow from Financing Activities:</b>			
Cash proceeds from absorbing investment			
Thereinto: cash receipts from absorbing minority shareholders' investment by subsidiary			
Cash receipts from borrowings		140,000,000.00	198,500,000.00
Other cash receipts in financing activities	<i>VIII.41</i>	8,537,623.16	—
<b>Total Cash Flow-in from Financing Activities</b>		148,537,623.16	198,500,000.00
Cash repayments of amount borrowed		137,750,000.00	199,300,000.00
Cash payments for distribution of dividends, profits or interest expenses		4,816,568.23	9,913,785.38
Thereinto: subsidiary's payment for minority shareholders' interest and profit			
Other cash payments in financing activities	<i>VIII.41</i>	4,838,738.72	282,557.46
<b>Subtotal Cash Flow-out from financing Activities</b>		147,405,306.95	209,496,342.84
<b>Net Cash Flow from Financing Activities</b>		1,132,316.21	-10,996,342.84
<b>4. Effect of exchange rate change on cash and cash equivalent</b>		-1,171.23	-3,464.10
<b>5. Net Increased Cash and Cash Equivalent</b>	<i>VIII.41</i>	-28,700,275.16	-36,763,562.29
Add: the Beginning Balance of Cash and Cash Equivalent	<i>VIII.41</i>	110,505,385.35	111,849,650.31
<b>6. The Ending Balance of Cash and Cash Equivalent</b>	<i>VIII.41</i>	81,805,110.19	75,086,088.02
Legal Person: Zhao Guorong    Accounting Director: Zhang Peiwu		Accounting Manager: Duan Yuangang	

## The Cash Flow Statement of the Parent

Jan-Jun, 2011

Beiren Printing Machinery Holdings Limited

Unit: RMB

Items	Appendix	Jan-Jun, 2011	Jan-Jun, 2010
<b>1. Cash Flow from Operating Activities:</b>			
Cash receipts from the sale of goods and the rendering of services		183,685,815.71	159,798,959.76
Receipts of taxes and levy refunds			133,002.96
Other Cash receipts in operating activities		16,580,951.37	11,029,981.12
<b>Subtotal Cash Flow-in from Operating Activities</b>		200,399,770.04	170,828,940.88
Cash payments for goods and services acquired		125,893,993.80	112,866,332.33
Cash payments to and on behalf of employees		58,067,390.01	56,799,401.61
Payments of taxes and levy		16,255,150.05	22,215,253.64
Other cash payments from Operating Activities		21,658,753.76	18,045,651.21
<b>Subtotal Cash Flow-out from Operating Activities</b>		221,875,287.62	209,926,638.79
<b>Net Cash Flow from Operating Activities</b>		-21,475,517.58	-39,097,697.91
<b>2. Cash Flow from Investing Activities:</b>			
Cash receipts from return of investments			350,000.00
Cash receipts from investment income			
Net cash receipts from the sale of fixed assets, intangible assets and other long-term assets		350.00	45,200.00
Net cash receipts from disposal of subsidiaries and other business units			
Other cash receipts in investing activities			1,221,005.84
<b>Total Cash Flow-in from Investing Activities</b>		1,221,355.84	395,200.00
Cash payments to acquired fixed assets, intangible assets and other long-term assets		256,280.00	33,927.00
Cash payments to acquired investments		80,000,000.00	5,710,237.50
Net cash receipts from disposal of subsidiaries and other business units			
Other cash receipts in investing activities			
<b>Total Cash Flow-out from Investing Activities</b>		80,256,280.00	5,744,164.50
<b>Net Cash Flow from Investing Activities</b>		-79,034,924.16	-5,348,964.50

<b>The Cash Flow Statement of the Parent (Continued)</b>		<i>Unit: RMB</i>	
<b>Items</b>	<i>Appendix</i>	<b>Jan-Jun, 2011</b>	<b>Jan-Jun, 2010</b>
<b>3. Cash Flow from Financing Activities:</b>			
Cash proceeds from absorbing investment			
Cash receipts from borrowings		135,000,000.00	180,000,000.00
Other cash receipts in financing activities			
<b>Total Cash Flow-in from Financing Activities</b>		135,000,000.00	180,000,000.00
Cash repayments of amount borrowed		55,000,000.00	165,000,000.00
Cash payments for distribution of dividends, profits or interest expenses		3,209,997.51	6,734,477.40
Other cash payments in financing activities			
<b>Subtotal Cash Flow-out from financing Activities</b>		58,209,997.51	171,734,477.40
<b>Net Cash Flow from Financing Activities</b>		76,790,002.49	8,265,522.60
<b>4. Effect of exchange rate change on cash and cash equivalent</b>		-1,171.23	-4,056.78
<b>5. Net Increased Cash and Cash Equivalent</b>	<i>XV.6</i>	-23,721,610.48	-36,185,196.59
Add: the Beginning Balance of Cash and Cash Equivalent	<i>XV.6</i>	74,222,278.37	86,568,028.75
<b>6. The Ending Balance of Cash and Cash Equivalent</b>	<i>XV.6</i>	50,500,667.89	50,382,832.16
Legal Person: Zhao Guorong    Accounting Director: Zhang Peiwu		Accounting Manager: Duan Yuangang	

# Consolidated Statement of Movement on Equity

Jan-Jun, 2011

Beiren Printing Machinery Holdings Limited

Unit: RMB

Items	Amount for the Previous Period							Minority Shareholder's Equity	Total Shareholder's Equity
	Capital Share	Capital Reserves	Less: Treasury Stock	Special Reserve	Surplus Reserves	Business Risk Reserve	Undistributed Profit Others		
1. The ending balance for last year	422,000,000.00	522,877,777.87			43,172,707.88		-243,051,077.92	16,113,414.44	761,112,822.27
Add: Changes in Accounting Policies									
Corrections for previous errors									
Others									
2. The beginning balance of this year	422,000,000.00	522,877,777.87			43,172,707.88		-243,051,077.92	16,113,414.44	761,112,822.27
3. Increase and decrease for this year (decrease represents as '+')							14,071,046.21	1,886,983.00	15,958,029.21
(1) Net profit							14,071,046.21	1,886,983.00	15,958,029.21
(2) Other Comprehensive Income									
Subtotal of (1) and (2)							14,071,046.21	1,886,983.00	15,958,029.21
(3) Shareholders Investing and Reducing Capital									
I. Shareholders investing capital									
II. Shares payment in shareholder's equity									
III. Others									
(4) Profit Distribution									
I. Provision of Surplus Reserve									
II. Provision for Business Risk									
III. Distribution for Shareholders									
IV. Others									
(5) Shareholder's Equity Internal transfer									
I. Capital Reserve transfer to Capital (or Share Capital)									
II. Surplus Reserve transfer to Capital (or Share Capital)									
III. Surplus Reserve offset losses									
IV. Others									
(6) Special Reserve									
I. Amount Provided for the Current Period									
II. Amount Expended for the Current Period									
4. The ending balance for this year	422,000,000.00	522,877,777.87			43,172,707.88		-228,980,031.71	18,000,397.44	777,070,851.48

Legal Person: Zhao Guorong    Accounting Director: Zhang Peiwu

Accounting Manager: Duan Yuangang

# Consolidated Statement of Movement on Equity (Continued)

Jan-Jun, 2011

Beiren Printing Machinery Holdings Limited

Unit: RMB

Items	Amount for the Current Period								Minority Shareholder's Equity	Total Shareholder's Equity
	Capital Share	Capital Reserves	Less: Treasury Stock	Special Reserve	Surplus Reserves	Business Risk Reserve	Undistributed Profit	Others		
1. The ending balance for last year	422,000,000.00	523,020,271.06			43,172,707.88		-265,330,459.45		20,446,433.33	743,308,952.82
Add: Changes in Accounting Policies										
Corrections for previous errors										
Others										
2. The beginning balance of this year	422,000,000.00	523,020,271.06			43,172,707.88		-265,330,459.45		20,446,433.33	743,308,952.82
3. Increase and decrease for this year (decrease represents as '+')		1,362,332.03					-14,968,604.70		-1,197,159.39	-14,803,432.06
(1) Net profit							-14,968,604.70		327,102.78	-14,641,501.92
(2) Other Comprehensive Income										
Subtotal of (1) and (2)							-14,968,604.70		327,102.78	-14,641,501.92
(3) Shareholders Investing and Reducing Capital									-1,524,262.17	-1,524,262.17
I. Shareholders investing capital										
II. Shares payment in shareholder's equity										
III. Others									-1,524,262.17	-1,524,262.17
(4) Profit Distribution										
I. Provision of Surplus Reserve										
II. Provision for Business Risk										
III. Distribution for Shareholders										
IV. Others										
(5) Shareholder's Equity Internal transfer									1,362,332.03	1,362,332.03
I. Capital Reserve transfer to Capital (or Share Capital)										
II. Surplus Reserve transfer to Capital (or Share Capital)										
III. Surplus Reserve offset losses										
IV. Others									1,362,332.03	1,362,332.03
(6) Special Reserve										
I. Amount Provided for the Current Period										
II. Amount Expended for the Current Period										
4. The ending balance for this year	422,000,000.00	524,382,603.09			43,172,707.88		-280,299,064.15		19,249,273.94	728,505,520.76

Legal Person: Zhao Guorong    Accounting Director: Zhang Peiwu

Accounting Manager: Duan Yuangang

# Statement of Movement on Equity of the Parent

Jan-Jun, 2011

Beiren Printing Machinery Holdings Limited

Unit: RMB

Items	Amount for the Previous Period					Total Shareholder's Equity	
	Capital Share	Capital Reserves	less: Treasury Stock	Special Reserve	Surplus Reserves Business Risk Reserve		
1. The ending balance for last year	422,000,000.00	518,165,762.89			38,071,282.24	-166,696,046.80	811,540,998.33
Add: Changes in Accounting Policies							
Corrections for previous errors							
Others							
2. The beginning balance of this year	422,000,000.00	518,165,762.89			38,071,282.24	-166,696,046.80	811,540,998.33
3. Increase and decrease for this year (decrease represents as '-')						6,528,509.22	6,528,509.22
(1) Net profit						6,528,509.22	6,528,509.22
(2) Other Comprehensive Income Subtotal of (1)and (2)						6,528,509.22	6,528,509.22
(3) Shareholders Investing and Reducing Capital							
I. Shareholders investing capital							
II. Shares payment in shareholder's equity							
III. Others							
(4) Profit Distribution							
I. Provision of Surplus Reserve							
II. Provision for Business Risk							
III. Distribution for Shareholders							
IV. Others							
(5) Shareholder's Equity Internal transfer							
I. Capital Reserve transfer to Capital (or Share Capital)							
II. Surplus Reserve transfer to Capital (or Share Capital)							
III. Surplus Reserve offset losses							
IV. Others							
(6) Special Reserve							
I. Amount Provided for the Current Period							
II. Amount Expended for the Current Period							
4. The ending balance for this year	422,000,000.00	518,165,762.89			38,071,282.24	-160,167,537.58	818,069,507.55

Legal Person: Zhao Guorong Accounting Director: Zhang Peiwu

Accounting Manager: Duan Yuangang

# Statement of Movement on Equity of the Parent (Continued)

Jan-Jun, 2010

Beiren Printing Machinery Holdings Limited

Unit: RMB

Items	Amount for the Current Period							Total Shareholder's Equity
	Capital Share	Capital Reserves	less: Treasury Stock	Special Reserve	Surplus Reserves	Business Risk Reserve	Undistributed Profit	
1. The ending balance for last year	422,000,000.00	517,456,262.71			38,071,282.24		-152,695,508.46	824,832,036.49
Add: Changes in Accounting Policies Corrections for previous errors Others								
2. The beginning balance of this year	422,000,000.00	517,456,262.71			38,071,282.24		-152,695,508.46	824,832,036.49
3. Increase and decrease for this year (decrease represents as '+')							-26,115,005.53	-26,115,005.53
(1) Net profit							-26,115,005.53	-26,115,005.53
(2) Other Comprehensive Income Subtotal of (1) and (2)							-26,115,005.53	-26,115,005.53
(3) Shareholders Investing and Reducing Capital								
I. Shareholders investing capital								
II. Shares payment in shareholder's equity								
III. Others								
(4) Profit Distribution								
I. Provision of Surplus Reserve								
II. Provision for Business Risk								
III. Distribution for Shareholders								
IV. Others								
(5) Shareholder's Equity Internal transfer								
I. Capital Reserve transfer to Capital (or Share Capital)								
II. Surplus Reserve transfer to Capital (or Share Capital)								
III. Surplus Reserve offset losses								
IV. Others								
(6) Special Reserve								
I. Amount Provided for the Current Period								
II. Amount Expended for the Current Period								
4. The ending balance for this year	422,000,000.00	517,456,262.71			38,071,282.24		-178,810,513.99	798,717,030.96

Legal Person: Zhao Guorong Accounting Director: Zhang Peiwu

Accounting Manager: Duan Yuangang

**7.3 There has been no changes in accounting policies and accounting estimates during the reporting period.**

**7.4 There has been no correction on accounting errors during the reporting period.**

**Beiren Printing Machinery Holdings Limited**

*Chairman*

**Zhao Guorong**

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.*