

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CONTINUING CONNECTED TRANSACTIONS RENEWED TRADEMARK LICENCE AGREEMENT

Reference is made to the announcement of the Company dated 14 April 2009 relating to the continuing connected transactions between the Company and Beiren Group pursuant to the 2009 Trademark Licence Agreement, whereby Beiren Group agreed to grant to the Group an exclusive right to use the Trademark for a term of 3 years from 1 January 2009 and expiring on 31 December 2011. On 16 December 2011, the Company has entered into the Renewed Trademark Licence Agreement for a further term of 1 year from 1 January 2012 to 31 December 2012. Beiren Group is a controlling shareholder of the Company holding approximately 47.78% equity interest in the Company, Beiren Group is a connected person of the Company under Chapter 14A of the Listing Rules. Since the Transactions shall be carried out on a continuing business and are expected to extend over a period of time, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the Board anticipates that the applicable percentage ratios (other than the profits ratio) for the Transactions on an annual basis will be less than 5%, the Transactions will be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but will be exempt from the independent shareholders' approval requirements.

BACKGROUND

Reference is made to the announcement of the Company dated 14 April 2009 relating to the continuing connected transactions between the Company (as licensee) and Beiren Group (as licensor) pursuant to the 2009 Trademark Licence Agreement, whereby Beiren Group agreed to grant to the Group an exclusive right to use the Trademark for a term of 3 years from 1 January 2009 and expiring on 31 December 2011. On 16 December 2011, the Company has entered into the Renewed Trademark Licence Agreement for a further term of 1 year from 1 January 2012 to 31 December 2012 with similar terms as stipulated in the 2009 Trademark Licence Agreement.

THE RENEWED TRADEMARK LICENCE AGREEMENT

Date: 16 December 2011

Parties:

1. Beiren Group (as licensor)
2. the Company (as licensee)

Subject matter:

Beiren Group, the registered owner of the Trademark, granted to the Group an exclusive right (apart from Beiren Group and its subsidiaries) to use the Trademark on the Trademark Products, which could be sold in the PRC and overseas (except in territories where the Trademark has been registered by any third party(ies)).

Term:

1 year commencing from 1 January 2012 to 31 December 2012.

Price and payment term:

On or before 10 April, 10 July, 10 October and 10 January (each a “relevant date”) of each year, 1% of the sales income of the Group arising from the Trademark Products in respect of the quarter of a year preceding the relevant date shall be payable in cash by the Company to Beiren Group as licence fee, provided that the annual licence fee shall not be lower than RMB15,000 and shall not exceed RMB6,000,000.

THE ANNUAL CAP AND THE BASIS OF DETERMINATION

The Annual Cap of the Transactions for the financial year ending 31 December 2012 is RMB6,000,000 under the Renewed Trademark Licence Agreement.

The trademark licence fees paid by the Company to Beiren Group in respect of the use of the Trademark for the financial years ended 31 December 2009, 2010 and for the period ended 31 October 2011 were approximately RMB3.8 million, RMB4.1 million and RMB3 million respectively. The Annual Cap is set by the Board by reference to the above historical figures and the estimated increasing sales volume of the Trademark Products in 2012 in view of the improving trend in the printing industry market.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Trademark is renowned in the printing manufacturing industry and the Board considers that the continuing use of the Trademark by the Group enhances the sales of the Trademark Products.

The Directors (including the independent non-executive Directors) believe that the terms of the Renewed Trademark Licence Agreement and the Annual Caps are on normal commercial terms which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors had material interest in the Transactions. However, in view of good corporate governance practices, as Mr. Zhao Guorong, Mr. Teng Mingzhi, Mr. Li Shenggao and Ms. Wei Li are the senior management of Beiren Group, they had all abstained from voting in the relevant board resolutions approving the Transactions.

COMPLIANCE WITH THE LISTING RULES

As Beiren Group is the controlling shareholder of the Company, the Transactions constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the Board anticipates that the applicable percentage ratios (other than the profits ratio) for the Transactions on an annual basis will be less than 5%, the Transactions will be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but will be exempt from the independent shareholders' approval.

GENERAL

The Company is principally engaged in the manufacture and sales of printing facilities.

Beiren Group is principally engaged in the manufacture and sales of after-printing facilities.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the meaning set out below:

“2009 Trademark Licence Agreement”	the trademark licence agreement (商標使用許可合同) dated 14 July 2009 entered into between the Company and Beiren Group in relation to the grant of exclusive rights to use the Trademark by Beiren Group to the Company and its subsidiaries
“Annual Cap”	the maximum aggregate values of the Transaction of each of the financial year ending 31 December 2012
“Beiren Group”	北人集團公司 (Beiren Group Corporation), a company incorporated in the PRC and the controlling shareholder of the Company holding approximately 47.78% equity interest in the Company
“Board”	the board of Directors
“Company”	北人印刷機械股份有限公司 (Beiren Printing Machinery Holdings Limited), a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“PRC”	the People’s Republic of China
“Renewed Trademark Licence Agreement”	the trademark licence agreement (商標使用許可合同) dated 16 December 2011 entered into between the Company and Beiren Group in relation to the grant of exclusive rights by Beiren Group to the Company and its subsidiaries to use the Trademark
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trademark”	the trademark「北人牌」, which is registered and owned by Beiren Group
“Trademark Products”	products of the Group on which the Trademark is used;
“Transactions”	the transactions as contemplated under the Renewed Trademark Licence Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

For and on behalf of the Board
Beiren Printing Machinery Holdings Limited
Jiao RuiFang
Company Secretary

Beijing, the PRC, 16 December 2011

As at the date of this announcement, the Board of the Company comprises Mr. Zhao Guorong and Mr. Zhang Peiwu as executive directors, Mr. Teng Mingzhi, 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.