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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)

2012 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 2012 Interim Report. Investors are advised to read the full text of Interim Report for detailed information.

- 1.2 There were eleven directors of the Company eligible for attending meetings, nine of them attended the meetings. Mr. Teng Mingzhi, one of the non-executive Directors, and Ms. Wang Hui, one of the independent non-executive Directors, were absent from the meetings due to business engagements and authorized Mr. Zhang Peiwu, the chairman, and Mr. Wang Deyu, one of the independent non-executive Directors, to be their proxies to vote on their behalf respectively.
- 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 Zhang Peiwu, the person in charge of the Company, Jiang Chi, Accounting Director, and Qin Yu, Accounting Manager (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

	Secretary to the Board	Representative in charge of securities affairs
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	1,492,771,944.89	1,485,441,846.03	0.49
Owner's interests (or shareholders' interests)	724,413,639.68	756,382,308.67	-4.23
Net assets per share attributable to shareholders of listed company (RMB/share)	1.72	1.79	-3.91
	For the reporting period (January – June)	For the same period last year	Increase(+)/ decrease(-) (%)
Operating profit	-33,083,053.94	15,013,244.61	-320.36
Total profit	-31,469,494.84	16,075,878.03	-295.76
Net profit attributable to shareholders of listed company	-31,968,668.99	14,071,046.21	-327.19
Net profit attributable to shareholders of listed company after extraordinary items	-33,398,003.60	13,285,348.49	-351.39
Basic earnings per share (RMB)	-0.08	0.03	-366.67
Basic earnings per share after extraordinary items (RMB)	-0.08	0.03	-366.67
Diluted earnings per share (RMB)	-0.08	0.03	-366.67
Return on net assets on weighted average basis (%)	-4.32	1.87	Decreased by 6.19 percentage points
Net cash flow from operating activities	-67,056,225.47	-26,569,951.97	N/A
Net cash flow per share from operating activities (RMB)	-0.16	-0.06	N/A

2.2.2 Extraordinary items

✓Applicable ☐ Not Applicable

Unit: RMB

Extraordinary items

Amount

Profit/loss from disposal of non-current assets	-955,658.70
Government subsidy accounted into profit and loss for the current period (except for those closely associated with the ordinary operations of the Company which were accounted for in certain standard amount or volume in compliance with the requirement of the policies of the State and in accordance with uniform standard of the state)	2,215,600.28
Other non-operating income/expenses save for the above	353,617.52
Effect on minority interests (after tax)	-184,224.49
Total	<u><u>1,429,334.61</u></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

Other disclosure deemed necessary by the Company or required by securities regulatory authorities

The Company received a notice from Beijing Jingcheng Machinery Electric Holding Co., Ltd., the beneficial controller of the Company, and Beiren Group Corporation, the controlling shareholder of the Company on 18 June 2012, that after consideration and approval at the board meeting of Beijing Jingcheng Machinery Electric Holding Co., Ltd., it was agreed that through transfer at nil consideration, Beijing Jingcheng Machinery Electric Holding Co., Ltd. will acquire 201,620,000 shares of the Company held by Beiren Group Corporation, which represents 47.78% of the Company's total share capital. After the state-owned shareholding transfer is implemented, Beiren Group Corporation will no longer hold any shares of the Company, and Beijing Jingcheng Machinery Electric Holding Co., Ltd. will be the controlling shareholder of the Company.

The Securities and Futures Commission of Hong Kong has approved such acquisition and confirmed that Beijing Jingcheng Machinery Electric Holding Co., Ltd. is not required to perform the obligation of making a general offer in respect of such state-owned shareholding transfer. The transfer still requires the approval from State-owned Assets Supervision and Administration Commission of the State Council, approval from China Securities Regulatory Commission in respect of the acquisition report of the Company and grant of its waiver from the obligation of making a general offer by Beijing Jingcheng Machinery Electric Holding Co., Ltd.

3.2 Number of shareholders and their shareholding

Unit: share

Total number of shareholders at the end of
the reporting period

16,958 (including: 16,873 A share holders, 85 H share holders)

Particulars of top ten shareholders

Name of shareholder	Nature of share- holder	Percentage in share capital (%)	Number of shares held	Increase/ decrease during the reporting period	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	0	None
HKSCC NOMINEES LIMITED	Unknown	23.37	98,603,199	60,000	0	Unknown
CITIC Trust Co.,Ltd-0808 Quanpei 03	Unknown	0.72	3,021,542	0	0	Unknown
China Foreign Economic and Trade Trust Co. Ltd. – Guomiao Phase 1 Trust Scheme	Unknown	0.54	2,280,800	-16,000	0	Unknown
Beijing Tonglong Investment Consulting Co., Ltd.	Unknown	0.31	1,290,551	0	0	Unknown
Zhan Chunxin	Unknown	0.21	900,000	0	0	Unknown
Wu Zhiqiang	Unknown	0.19	820,000	0	0	Unknown
Wu Guangli	Unknown	0.18	769,831	769,831	0	Unknown
Li Hong	Unknown	0.18	766,000	766,000	0	Unknown
Tao Neng	Unknown	0.18	748,477	0	0	Unknown

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

Name of shareholder	Number of shares not subject to trading moratorium held	Class and amount of shares
Beiren Group Corporation	201,620,000	Renminbi ordinary shares
HKSCC NOMINEES LIMITED	98,603,199	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	2,280,800	Renminbi ordinary shares
Beijing Tonglong Investment Consulting Co., Ltd.	1,290,551	Renminbi ordinary shares
Zhan Chunxin	900,000	Renminbi ordinary shares
Wu Zhiqiang	820,000	Renminbi ordinary shares
Wu Guangli	769,831	Renminbi ordinary shares
Li Hong	766,000	Renminbi ordinary shares
Tao Neng	748,477	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.
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Notes:

- (1) Beiren Group Corporation is the substantial 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 2012, 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 2012, 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	Options for shares in the Company held	No. of restricted shares granted
Zhang Peiwu	Chairman	0	0	0	0	–	0	0
Chen Bangshe	Director and General Manager	0	0	0	0	–	0	0
Teng Mingzhi	Non-executive Director	0	0	0	0	–	0	0
Wu Dongbo	Non-executive Director	0	0	0	0	–	0	0
Li Shenggao	Non-executive Director	0	0	0	0	–	0	0
Wei Li	Non-executive Director	0	0	0	0	–	0	0
Jiang Chi	Executive Director	0	0	0	0	–	0	0
Zhang Shuangru	Independent non-executive Director	0	0	0	0	–	0	0
Wang Hui	Independent non-executive Director	0	0	0	0	–	0	0
Xie Bingguang	Independent non-executive Director	0	0	0	0	–	0	0
Wang Deyu	Independent non-executive Director	0	0	0	0	–	0	0
Wang Liansheng	Chairman of Supervisory Committee	0	0	0	0	–	0	0
Guo Xuan	Supervisor	0	0	0	0	–	0	0
Wang Huiling	Supervisor	0	0	0	0	–	0	0
Jiao Ruifang	Secretary to the Board	0	0	0	0	–	0	0
Kong Dagang	Deputy General Manager	0	0	0	0	–	0	0
Chen Changge	Deputy General Manager	0	0	0	0	–	0	0
Xue Kexin	Deputy General Manager	0	0	0	0	–	0	0
Cheng Tianming	Deputy General Manager	0	0	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 2012, 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 2012.
- (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

1. The 2011 Annual General Meeting of the Company was held on 29 May 2012, at which the appointments of Mr. Chen Bangshe and Ms. Jiang Chi as additional Executive Directors of the Company, Ms. Wu Dongbo as additional Non-executive Director of the Company and Mr. Zhang Shuangru as additional Independent Non-executive Director of the Company were considered and approved.
2. The fourth meeting of the seventh Board of Directors was held on 15 March 2012, at which the appointments of Mr. Chen Bangshe as General Manager of the Company, Mr. Xue Kexin and Mr. Cheng Tianming as Deputy General Managers of the Company were considered and approved.
3. The second extraordinary meeting of the seventh Board of Directors was held on 12 January 2012, at which the resignation of Mr. Zhao Guorong as Director, Chairman, convener of Strategic Committee and member of Remuneration and Monitoring Committee of the Company and the appointment of Mr. Zhang Peiwu as Chairman of the Company were considered and approved.
4. The third extraordinary meeting of the seventh Board of Directors was held on 11 May 2012, at which the resignation of Mr. Xu Wencai as Independent non-executive Director, member of Strategic Committee and member of Nomination Committee of the Company was considered and approved.
5. The sixth meeting of the seventh Board of Directors was held on 5 July 2012, at which the appointments of Mr. Zhang Shuangru, Mr. Chen Bangshe and Ms. Jiang Chi as members of Strategic Committee under the Board and Mr. Zhang Shuangru as convener of Nomination Committee under the Board were considered and approved.

5 DIRECTORS' REPORT

5.1 Management discussion and analysis

1. Review for the first half of 2012

During the reporting period, with the weak growth of global economy, the potential threat to the world economy by the European debt crisis was intensified and International Monetary Fund further marked down its global growth forecast. Domestically, affected by macro-economic control of the central government, there was slowdown in growth of GDP as the government focused on economic restructuring and proactively controlled the growth rate. Coming down to manufacture of printing machinery, competition in the industry intensified. Renowned international manufacturers were facing with restructuring and consolidation, while in China, manufacturers in the industry was insufficient at the high-end and more than needed at the lower end. Sales of package printing and post-printing equipment were rising. Green and environmental friendly printing remained the main concerns.

Facing the intense business competition in domestic and international markets, the Company stayed alert to market changes and promptly adjusted marketing strategies by further strengthening technological innovation and product restructuring. By doing these, the Company developed a series of product in response to such changes and accommodated market demand to the best extent and enhanced its own competitiveness.

As at the end of the reporting period, the operating income prepared in accordance with the PRC Accounting Standards was RMB377,940,000 and the realized profit was RMB-31,968,700.

(1) Strengthen technological innovation and product restructuring to enhance competitiveness

During the reporting period, the Company strengthened technological innovation by establishing a mechanism that linked research and development and the market, which enabled the Company to understand customers' needs and accelerated progress of research and development and production of new products. The Company also put efforts in digitalizing printing and transforming itself to package and green printing, so that competitiveness of its products was enhanced and a system of sustainable product development was established. K072, a state project of digital folio multi-colour offset press developed, has been put to operation. N556 two-colour press has passed its sample test and put to sale. B598 new type of printers has been fully developed and put to sale. Solution-free coater participated in exhibition.

(2) Strengthen market development to secure sales target

During the reporting period, the Company was committed to advance sales by innovating in sales mode and incentive mechanism, strengthening link between production and sales, quickening market responses and actively seeking points for breakthrough and voids in the market. It also promptly gave feedback to market information by proposing demand plan for products of the Company and worked with its research teams in market research and discussed with them about product development. These works laid a foundation for products of the Company entering newly sub-divided markets.

(3) Advancing establishment of “three bases” and supply chain to shorten production cycle

During the reporting period, the Company centred on market demand and strengthened its sales scheme. To enhance effectiveness and efficiency, it actively advanced construction of “three bases”, put efforts in implementing management on material purchase with active business communication with and stringent examination on suppliers and grading on material purchased through the ERP system. It timely solved issues existed in production and maximized the shortening of production cycle by focusing on implementation of work requirements of securing orders and market share.

(4) Commence problem-solving on quality and techniques and increase supervision over the process of quality control to assume responsibility regarding quality

During the reporting period, the Company prioritized establishment of quality control system and continued its improvements of quality promotion project by strengthening inspection on discipline of workmanship, product quality and quality examination. It also carried out internal assessment and management assessment in accordance with ISO9000 and strictly assumed its responsibility regarding quality. All these contributed to the establishment of a positive operation mechanism for product quality which enhanced quality level of products, reduced quality loss and advanced effective operation of quality management system.

(5) Optimize management mode to enforce stringent management and input and enhance management standard

During the reporting period, through reinforced consolidated management and new systems, the Company comprehensively implemented a unified management of the “three plans” whereby production BOM and standards for scheduled production were actively improved and measures including internal control system and process management were established and implemented with a full utilisation of the ERP system. As a result, the Company further crystalized its focus and target for its responsibility and fortified foundation of its work. Based on the above, the Company

smoothed balance and coordination among manufacturing resources which met the managerial target to secure, save resources and control input thereof and enhanced management standard of the Company.

(6) Strengthen management over capital and endeavor to reduce manufacturing and management costs

During the reporting period, the Company strengthened management over capital and budget and strictly controlled the three expenses and expenditure to better handle sales income and refund budget in advance and in their course, and to better analyze warnings arose so as to lower manufacturing costs of products and various management expenses. By means of informational management, it procured long-term and prompt supervision over various managerial and controlling standards to effectively fortify improvements made and enhance efficiency of its capital use.

(7) Strengthen safe production and commence thorough standardization of safe production to establish a long-term mechanism in this concern

During the reporting period, the Company comprehensively implemented safe production accountability system by signing an “acknowledgement of safe production target management responsibility” on every level, enhancing safe production awareness of all of its staff through means of “safety month” and others, on-site inspection and elimination of hidden safety problems and comprehensive governmental corporate activities of safe production standardization aimed at establishment of such standards.

2. Outlook for the second half of 2012

For the second half of 2012, as pressure on the global and domestic market will still be huge, economic growth will further slackened. Although the commencement of London Olympics may provide certain stimulation to Europe, international economies will remain uncertain as the potential influence from their debt crisis is yet to be up-rooted. The domestic market will continue to emphasize “structural adjustment, transitions and consumption”. For the printing industry, impact on conventional press work from digital printing and distribution will stay and green and environmental friendly printing will remain the mainstream as globalization has been accelerating.

Facing with various opportunities and challenges, the Company will strengthen its technical innovation, optimize its product structure and enhance its product quality. With higher quality and lower price to win customers over, it will put efforts in development of market channels and innovation in marketing mode to meet its strategic goals. It will also enhance competitiveness of its products in all aspects through exploring resources and saving internally and seek innovation development externally, so that its overall capability will be enhanced.

- (1) *Further accelerate pace of technical innovation to advance generation renewal of products*

The Company will further accelerate pace of product innovation. It will adhere to the idea of research-and-development-comes-first to carry out extensive technical exchange and cooperation within and across the border and intensify building of technical expert teams. Its technological itinerary will be optimized so that consistency and stability of product quality will be enhanced. It will aim at green and environmental friendly breakthrough and innovation and accelerate technical research and development in the package field and allocation of new functions, thus quicken generation replacement of its products.

- (2) *Implement meticulous measures and tighten management to lower costs and enhance efficiency*

The Company will further improve alert mechanism of regular analysis and dynamic management. It will strengthen coordination and unification of the “three plans” and endeavor to reduce corporate operating costs. It will quicken stock turnover and deepen dynamic management over accounts receivable. It will also tighten basic corporate management to enhance efficiency of capital use and enhance management level to improve production efficiency.

- (3) *Strengthen and deepen market exploration to ensure annual sales target be met*

The Company will carry out more market researches to grip market opportunities. It will put more resources in building marketing teams to enhance quality and quantity of market information gathered. It will also comprehensively consolidate organic integration between innovation of marketing means, method and policies and innovation of marketing concepts. These will enhance overall marketing power and ensure annual sales target to be met.

- (4) *Improve evaluation and incentive mechanism to enhance work efficiency*

The Company will further improve its evaluation and incentive mechanism to build a long-term mechanism in this regard. It will also bring out a position accountability system, target management and budget management. Starting with these evaluation systems, regulations will be tightened and enforceability and working efficiency will be enhanced for a healthy and sustainable development.

- (5) *Accelerate establishment of the “three bases” to shorten production cycle and market response*

The Company will further accelerate optimization of manufacturing framework and put more efforts in the establishment of the “three bases”. By promoting effective communication among departments including technical, marketing and production, it

will continue to enhance and optimize establishment of its supply chain and shorten its production cycle and thus its reaction time to market demand and let it better serve the market. These will lay a foundation for long-term development of the Company.

(6) *Re-consolidate assets held and existing businesses to increase profitability*

The Company will further accelerate its efforts in improving and formulating its strategic development. By aligning its resources and businesses, it will better and effectively deploy its existing assets to actively develop new businesses so as to develop points for growth of profit and thus increase its overall capability.

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	176,194,363.54	152,358,746.02	-19.32	-5.58	4.55	Decreased by 21.85 percentage points
Sales of Intrusion printers	159,745,230.08	120,517,474.99	0.69	-9.2	-9.69	Decreased by 4.39 percentage points
Sales of Form presses	26,716,746.81	21,824,726.29	-1.07	-13.78	-15.53	Decreased by 3.56 percentage points
Total	362,656,340.43	294,700,947.30	-9.16	-7.85	-3.38	Decreased by 12.83 percentage points

Including the total connected transaction sum of RMB0 for sales of products and provision of labour to controlling shareholders and its subsidiaries by the listed company.

5.3 Principal operation by geographical segment

Unit: RMB

Region	Operating income	Increase/decrease in operating income over last year (%)
PRC	346,313,929.08	-14.36
Outside PRC	23,655,925.78	110.01

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

Main reasons are as follows: bad debt provision for overdue accounts receivable in the period of RMB6,403,600, increased manufacturing cost due to increased cost of raw material and labour and decreased sales price as a result of intensified business competition. The Company therefore made an impairment provision for inventory of RMB11,293,100 based on impairment test thereof.

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 2012 Jan-Jun 2011

The taxation comprises:

PRC income tax (“EIT”)

Current period	0	0
Deferred	0	118

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 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% (2011: 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% (2011: 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

	Jan-Jun 2012	Jan-Jun 2011
Net profit attributable to shareholders of listed company	-31,968,668.99	14,071,046.21

5.10 Dividends

No dividend was paid or proposed for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil), nor has any dividend been proposed since the end of the reporting period.

5.11 Earnings per share

Unit: RMB

Items	Number	Jan-Jun 2012	Jan-Jun 2011
Net profit for shareholders of the parent company	1	-31,968,668.99	14,071,046.21
Net profit of extraordinary items for the parent company	2	1,429,334.61	785,697.72
Net profit for shareholders of the parent company after extraordinary items	3=1-2	-33,398,003.60	13,285,348.49
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
Basic earnings per share (I)	13=1÷12	-0.08	0.03
Basic earnings per share (II)	14=3÷12	-0.08	0.03
Dividends of diluted convertible ordinary shares as expense	15		
Conversion expense	16		
Income tax rate	17		
Number of shares increased by options, warrants or convertible bonds	18		
Diluted earnings per share (I)	$19=[1+(15-16)\times(1-17)]\div(12+18)$	-0.08	0.03
Diluted earnings per share (II)	$19=[3+(15-16)\times(1-17)]\div(12+18)$	-0.08	0.03

5.12 Share capital

Unit: RMB

Registered, issued and fully paid:

At 1 January 2011, 31 December 2011 and 30 June 2012

332,000,000 A shares of RMB1 each	322,000,000
100,000,000 H shares of RMB1 each	100,000,000
	422,000,000

5.13 Contingent liabilities

As at 30 June 2012, 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 investment by 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	0
Total amount of outstanding guarantee provided as at the end of the reporting period	0

Guarantee provided to the subsidiaries of the Company

Total amount of guarantee provided to the controlling subsidiaries during the reporting period	963.86
Total amount of outstanding guarantee provided to the controlling subsidiaries as at the end of the reporting period	835.00

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

Total amount of guarantee	835.00
Percentage of the total amount of guarantee to the net assets of the Company	1.15%

Of which:

Amount of guarantee provided to the shareholders, beneficial controller and their connected parties	0
Amount of guarantee provided directly or indirectly to borrowers with gearing ratio of over 70%	0
Total amount of guarantee exceeding 50% of net assets	0
Total amount of the above three guarantees	0

6.4 Connected debts and liabilities

☒ Applicable ☐ Not Applicable

Unit: RMB

Name of connected party	Capital provided to connected parties		Capital provided to the listed company by connected parties	
	Incurred amount	Balance	Incurred amount	Balance
Beijing Monigraf Automations Co., Ltd.			-3,775,548.53	5,774,271.98
Beijing Beiyong Casting Company Limited			216,956.17	2,611,584.46
Beijing Jingcheng Machinery Electric Holding Co., Ltd			12,559,195.92	23,588,695.47
Beiren Group Corporation			953,521.36	953,521.36
Beijing Jingcheng Nagano Construction Machinery Company Limited			346,599.00	346,599.00
Total			10,300,723.92	33,274,672.27

During the reporting period, amount of fund agreed to be provided by the Company to its holding company and subsidiaries amounted to nil with a balance of nil.

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 2012 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 2012.
5. During the reporting period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.
6. The Company was informed by Beijing Jingcheng Machinery Electric Holding Co., Ltd., the Company's beneficial controller, on 6 April 2012 that it is currently planning to implement a material assets reorganization relating to the Company. The Company immediately published an Announcement of Significant Matter and Suspension of Trading for such purpose and trading of shares of the Company was suspended from 9 April. It then published an Announcement of Suspension of Trading in relation to a Material Asset Reorganisation on 13 April and an Announcement of Extension of Suspension on 15 May and 14 June respectively. During such period, the Company published an Announcement on the Progress of Material Asset Reorganization once every week. The trading of shares of the Company was resumed on 6 July and a proposal of material swap of assets and connected transaction was disclosed on the same date.

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

30 June 2012

Beiren Printing Machinery Holdings Limited

Unit: yuan
Currency: RMB

Item	Notes	Closing Balance	Opening Balance
Current Assets:			
Cash		84,400,627.90	161,866,351.06
Balances with clearing companies			
Placements with banks and other financial institutions			
Tradable Financial Assets			
Notes Receivable		24,100,085.00	20,263,400.00
Accounts Receivable		238,670,990.49	163,969,806.39
Advances to Suppliers		27,011,687.87	30,187,908.20
Premium receivable			
Reinsurance accounts receivable			
Deposits receivable from reinsurance contracts			
Interests Receivable			
Dividends Receivable		113,600.00	113,600.00
Other Receivables		26,412,239.39	17,583,975.31
Purchases of resold financial assets			
Inventory		438,685,513.33	422,781,854.19
Non-current Assets maturing within one year			
Other Current Assets			

The Consolidated Balance Sheet (Continued)
Unit: yuan
Currency: RMB

Item	<i>Notes</i>	Closing Balance	Opening Balance
Total Current Assets		839,394,743.98	816,766,895.15
Non-current Assets:			
Entrusted loans and advances granted			
Financial Assets available for sale			
Holding to Maturity Investment			
Long-term Receivables			
Long-term Equity Investment		15,395,315.20	15,660,364.86
Investment Property		6,650,597.90	6,739,095.77
Fixed Assets		512,820,228.60	526,997,541.58
Construction in Progress		3,854,811.22	3,179,294.90
Project Materials			
Disposal of Fixed Assets			
Biological assets for production			
Fuel assets			
Intangible Assets		102,577,910.47	104,020,316.25
R&D expense			
Goodwill			
Long-term Prepayments		9,367,320.00	9,367,320.00
Deferred Income Tax Assets		2,711,017.52	2,711,017.52
Other Non-current Assets			
Total Non-current Assets		653,377,200.91	668,674,950.88
Total Assets		1,492,771,944.89	1,485,441,846.03
Current Liabilities:			
Short-term Loan		219,000,000.00	220,000,000.00
Borrowings from central bank			
Deposit taking and deposit in inter-bank market			
Placements from banks and other financial institutions			
Tradable Financial Liabilities			

The Consolidated Balance Sheet (Continued)
Unit: yuan
Currency: RMB

Item	<i>Notes</i>	Closing Balance	Opening Balance
Notes Payable		5,350,000.00	16,950,000.00
Accounts Payable		331,673,679.12	272,997,745.92
Advances from Customers		80,843,583.33	88,449,580.42
Disposal of repurchased financial assets			
Handling charges and commissions payable			
Employee Benefit Payable		31,310,202.23	39,091,724.51
Tax Payable		3,934,563.46	-4,129,380.97
Interests Payable		782,610.06	751,944.17
Dividends Payable			
Other Payables		43,669,473.27	41,361,493.75
Reinsurance accounts payable			
Deposits for insurance contracts			
Customer deposits for trading in securities			
Amounts due to issuer for securities underwriting			
Non-current Liabilities maturing within one year			
Other Current Liabilities		445,489.40	2,257,016.55
Total Current Liabilities		717,009,600.87	677,730,124.35
Non-Current Liabilities:			
Long-term Loan			
Bonds Payable			
Long-term Accounts Payable			
Special Payable		31,230,485.23	31,685,168.05
Estimated Liabilities		542,407.38	567,607.38
Deferred Income Tax Liabilities			
Other Non-current Liabilities		716,275.66	716,275.66
Total Non-current Liabilities		32,489,168.27	32,969,051.09
Total Liabilities		749,498,769.14	710,699,175.44

The Consolidated Balance Sheet (Continued)
Unit: yuan
Currency: RMB

Item	<i>Notes</i>	Closing Balance	Opening Balance
Owners' equity (or shareholders' equity)			
Paid-up capital (or share capital)		422,000,000.00	422,000,000.00
Capital Reserves		522,877,777.87	522,877,777.87
Less: Treasury Stock			
Special Reserves			
Surplus Reserves		43,172,707.88	43,172,707.88
General Risk Reserves			
Undistributed Profit		-263,636,846.07	-231,668,177.08
Exchange difference arising on translation of Foreign Currency Statements			
Total Owners' Equity attributed to the Parent		724,413,639.68	756,382,308.67
Minority Shareholder's Equity		18,859,536.07	18,360,361.92
Total Owners' Equity		743,273,175.75	774,742,670.59
Total Liabilities and Owners' Equity		1,492,771,944.89	1,485,441,846.03

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Qin Yu

Balance Sheet of the Parent*30 Jun 2012*

Name of the Enterprise: Beiren Printing Machinery Holding Limited

*Unit: yuan**Currency: RMB*

Item	<i>Notes</i>	Closing Balance	Opening Balance
Current Assets:			
Cash		67,451,378.87	133,470,663.08
Tradable Financial Assets			
Notes Receivable		23,995,085.00	16,108,400.00
Accounts Receivable		155,598,418.00	102,108,162.49
Advances to Suppliers		5,013,663.13	2,001,561.11
Interests Receivable		303,400.01	343,324.17
Dividends Receivable		113,600.00	113,600.00
Other Accounts Receivable		16,388,937.49	7,085,647.86
Inventory		294,761,107.86	289,129,226.98
Non-current Assets maturing within one year			
Other Current Assets		90,000,000.00	95,000,000.00
Total Current Assets		653,625,590.36	645,360,585.69
Non-current Assets:			
Financial Assets available for sale			
Holding to Maturity Investment			
Long-term Accounts Receivable			
Long-term Equity Investment		165,208,014.46	165,473,064.12
Investment Property		6,650,597.90	6,739,095.77
Fixed Assets		394,269,475.41	406,098,867.03
Construction in Progress		3,770,577.50	2,816,487.16
Project Materials			
Disposal of Fixed Assets			
Biological assets for production			
Fuel assets			

Balance Sheet of the Parent (continued)

Unit: yuan
Currency: RMB

Item	Notes	Closing Balance	Opening Balance
Intangible Assets		83,623,991.87	84,638,825.87
Development expenses			
Goodwill			
Long-term Prepayment		9,367,320.00	9,367,320.00
Deferred Income Tax Assets			
Other Non-current Assets			
Total Non-current Assets		662,889,977.14	675,133,659.95
Total Assets		1,316,515,567.50	1,320,494,245.64
Current Liabilities:			
Short-term Loan		210,000,000.00	210,000,000.00
Tradable Financial Liabilities			
Notes Payable			
Accounts Payable		196,490,462.30	176,242,675.31
Advances from Customers		26,435,629.90	12,730,422.05
Employee Benefit Payable		13,651,748.25	22,320,919.37
Taxes Payable		1,612,671.27	-4,622,406.84
Interests Payable		777,442.00	751,944.17
Dividends Payable			
Other Payables		56,880,153.16	58,521,768.96
Non-current Liabilities maturing within one year			
Other Current Liabilities		345,389.12	1,706,815.99
Total Current Liabilities		506,193,496.00	477,652,139.01
Non-current Liabilities:			
Long-term Loan			
Bonds Payable			
Long-term Accounts Payable			
Special Payables		26,345,183.99	25,973,413.38
Estimated Liabilities		542,407.38	567,607.38
Deferred Income Tax Liabilities			

Balance Sheet of the Parent (continued)

Unit: yuan
Currency: RMB

Item	Notes	Closing Balance	Opening Balance
Other Non-current Liabilities			
Total Non-current Liabilities		26,887,591.37	26,541,020.76
Total Liabilities		533,081,087.37	504,193,159.77
Owners' equity (or shareholders' equity)			
Paid-up capital (or share capital)		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		-194,802,565.00	-161,935,959.26
Total owners' equity (or shareholders' equity)		783,434,480.13	816,301,085.87
Total liabilities and owners' equity (or shareholders' equity)		1,316,515,567.50	1,320,494,245.64

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Qin Yu

Consolidated Income Statement

Jan-Jun 2012

Unit: yuan
Currency: RMB
Jan-Jun, 2011

Item	Notes	Jan-Jun, 2012	Jan-Jun, 2011
1. Total Operating Income		377,942,439.36	425,071,264.38
Operating Income		377,942,439.36	425,071,264.38
Interest income			
Insurance premiums earned			
Income from fees and commissions			
2. Total Operating Cost		410,760,443.64	410,071,123.03
Including: Operating Cost		304,439,864.05	330,251,225.44
Interest expenses			
Fee and commission expenses			
Surrender payment			
Net expenditure for compensation payments			
Net provision for insurance contracts			
Expenditures for insurance policy dividend			
Reinsurance costs			
Tax and Additional Expense		2,339,368.24	2,824,227.16
Sales Expense		28,022,250.73	26,144,621.20
Administration Expense		51,357,387.73	44,546,076.89
Financial Expense		6,904,827.88	4,965,214.87
Assets Impairment Losses		17,696,745.01	1,339,757.47
Add: Income of Fair Value Change (loss marked "-")			
Investment Income (loss marked "-")		-265,049.66	13,103.26
Thereinto: Investment Income to Subsidiaries and Joint Venture		-265,049.66	13,103.26
Exchange Gain and Loss (loss marked "-")			

Consolidated Income Statement (continued)

Unit: yuan

Item	Notes	Jan-Jun, 2012	Jan-Jun, 2011
3. Operating Profit (loss marked “-”)		-33,083,053.94	15,013,244.61
Add: Non-operating Income		2,614,796.17	1,360,269.67
Less: Non-operating Expense		1,001,237.07	297,636.25
Thereinto: Disposal loss of Non-current Assets		955,658.70	226,673.15
4. Total Profit (loss marked “-”)		-31,469,494.84	16,075,878.03
Less: Income Tax Expense			117,848.82
5. Net Profit (loss marked “-”)		-31,469,494.84	15,958,029.21
Net Profit Attributed to the Parent’s Owners		-31,968,668.99	14,071,046.21
Minority Shareholder’s Equity		499,174.15	1,886,983.00
6. Earnings per Share:			
(1) Basic Earnings per Share		-0.08	0.03
(2) Earnings per Diluted Share		-0.08	0.03
7. Other Comprehensive Income			
8. Total Comprehensive Income		-31,469,494.84	15,958,029.21
Total Comprehensive Income of the Parent’s Owners		-31,968,668.99	14,071,046.21
Total Comprehensive Income of the Minority Shareholders		499,174.15	1,886,983.00

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Qin Yu

Income Statement of the Parent

Jan-Jun 2012

Unit: yuan
Currency: RMB
Jan-Jun, 2011

Item	Notes	Jan-Jun, 2012	Jan-Jun, 2011
1. Total Operating Income		186,132,145.46	213,483,873.40
Less: Operating Cost		158,370,595.35	165,642,395.37
Tax and Additional Expense		1,488,646.67	1,824,671.96
Sales Expense		9,615,122.89	9,817,189.41
Administration Expense		29,184,999.88	25,569,361.91
Financial Expense		3,611,223.26	2,104,301.02
Assets Impairment Losses		16,761,630.01	2,229,757.47
Add: Income of Fair Value Change (loss marked“-”)			
Investment Income (loss marked“-”)		-265,049.66	13,103.26
Thereinto: Investment Income to Subsidiaries and Joint Venture		-265,049.66	13,103.26
2. Operating Profit (loss marked“-”)		-33,165,122.26	6,309,299.52
Add: Non-operating Income		344,094.89	290,172.80
Less: Non-operating Expense		45,578.37	70,963.10
Thereinto: Disposal Loss of Non-current Assets			
3. Total Profit (loss marked“-”)		-32,866,605.74	6,528,509.22
Less: Income Tax Expense			
4. Net Profit (loss marked“-”)		-32,866,605.74	6,528,509.22
5. Earnings per share:			
(1) Basic earnings per share			
(2) Diluted earnings per share			
6. Other comprehensive income			
7. Total comprehensive income			

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Qin Yu

Consolidated Cash Flow Statement

Jan-Jun 2012

Unit: yuan
Currency: RMB
Jan-Jun, 2011

Item	Notes	Jan-Jun, 2012	Jan-Jun, 2011
1. Cash Flow from Operating Activities			
Cash receipts from the sale of goods and rendering of services		227,928,462.28	358,052,927.29
Net increase deposits from customer and other banks			
Net increase in borrowings from PBOC			
Net increase in customer and interbank deposits			
Cash received from premiums under original insurance contract			
Net cash received from reinsurance business			
Net increase in deposits of policy holders and investment			
Net increase in disposal of held-for-trading financial assets			
Cash received from interest, fees and commissions			
Net increase in borrowings			
Net increase in income from repurchased business			
Receipts of taxes and levy refunds		361,600.63	728,318.88
Other Cash receipts in operating activities		9,218,694.86	19,725,436.57
Subtotal Cash Inflow from Operating Activities		237,508,757.77	378,506,682.74
Cash payments for goods and services acquired		154,998,393.41	249,320,394.56
Net increase in customer loans and advances			
Net increase in deposit in PBOC and interbank deposits			
Cash payments for compensation payments under original insurance contract			
Cash payments for interest, fees and commissions			

Consolidated Cash Flow Statement (continued)

Unit: yuan
Currency: RMB

Item	Notes	Jan-Jun, 2012	Jan-Jun, 2011
Cash payments for insurance policy dividend			
Cash payments to and on behalf of employees		102,750,527.11	100,811,750.27
Payments to taxes and levy		15,229,854.93	29,106,642.82
Other cash payments from operating activities		31,586,207.79	25,837,847.06
Subtotal Cash Outflow from Operating Activities		304,564,983.24	405,076,634.71
Net Cash Flow from Operating Activities		-67,056,225.47	-26,569,951.97
2.Cash Flow from Investing Activities			
Cash receipts from return on investments		249,051.91	
Cash receipts from investment income			
Net cash receipts from the sale of fixed assets, intangible assets and other long-term assets		1,320.00	350.00
Net cash receipts from disposal of subsidiaries and other business units			
Other cash receipts from investing activities			
Subtotal Cash Inflow from Investing Activities		250,371.91	350.00
Cash payments to acquired fixed assets, intangible assets and other long-term assets.		2,971,876.26	3,261,818.17
Cash payments to acquired investment			
Net increase in pledged loans			
Net cash paid for acquiring subsidiaries and other operating entities			
Other cash payments in investing activities			
Subtotal Cash Outflow from Investing Activities		2,971,876.26	3,261,818.17
Net Cash Flow from Investing Activities		-2,721,504.35	-3,261,468.17

Consolidated Cash Flow Statement (continued)

Unit: yuan
Currency: RMB

Item	Notes	Jan-Jun, 2012	Jan-Jun, 2011
3. Cash Flow from Financing Activities			
Cash proceeds from absorbing investment			
Thereinto: Cash receipts from absorbing minority shareholder's investment by subsidiary			
Cash receipts from borrowing		166,000,000.00	140,000,000.00
Cash receipts from issuing bonds			
Other cash receipts in financing activities		5,274,602.69	8,537,623.16
Subtotal Cash Inflow from Financing Activities		171,274,602.69	148,537,623.16
Cash repayments of amount borrowed		167,000,000.00	137,750,000.00
Cash payments of distribution of dividends, profits or interest expenses		6,688,493.06	4,816,568.23
Thereinto: Subsidiary's payment for minority shareholder's interest and profit			
Other cash payments in financing activities		1,816,809.87	4,838,738.72
Subtotal cash Outflow from Financing Activities		175,505,302.93	147,405,306.95
Net Cash Flow from Financing Activities		-4,230,700.24	1,132,316.21
4. Effect of exchange rate change on cash and cash equivalent		499.72	-1,171.23
5. Net Increased Cash and Cash Equivalent		-74,007,930.34	-28,700,275.16
Add: the Beginning Balance of Cash and Cash Equivalent		156,591,748.37	110,505,385.35
6. The Ending Balance of Cash and Cash Equivalent		82,583,818.03	81,805,110.19

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Qin Yu

Cash Flow Statement of the Parent

Jan-Jun 2012

Unit: yuan
Currency: RMB
Prior Period

Item	Notes	Current Period	Prior Period
1. Cash Flow from Operating Activities			
Cash receipts from the sale of goods and the rendering of services		113,507,471.25	183,685,815.71
Receipts of taxes and levy refunds		15,981.49	133,002.96
Other Cash Receipts relating to operating activities		3,365,881.34	16,580,951.37
Subtotal Cash Inflow from Operating Activities		116,889,334.08	200,399,770.04
Cash payments for goods and services acquired		84,985,466.35	125,893,993.80
Cash payments to and on behalf of employees		62,289,120.46	58,067,390.01
Payments of taxes and levy		8,173,572.97	16,255,150.05
Other cash payments relating to Operating Activities		27,997,636.88	21,658,753.76
Subtotal Cash Outflow from Operating Activities		183,445,796.66	221,875,287.62
Net Cash Flow from Operating Activities		-66,556,462.58	-21,475,517.58
2. Cash Flow from Investing Activities			
Cash receipts from return of investments		95,249,051.91	
Cash receipts from investing income			
Net Cash receipts from the sale of fixed assets, intangible assets and other long-term assets			350.00
Net Cash receipts from disposal of subsidiaries and other business units			
Other cash receipts in investing activities		2,992,590.83	1,221,005.84
Subtotal Cash Inflow from Investing Activities		98,241,642.74	1,221,355.84
Cash payments to acquire fixed assets, intangible assets and other long-term assets		1,360,977.26	256,280.00
Cash payments to acquire investments		90,000,000.00	80,000,000.00

Cash Flow Statement of the Parent (continued)

Unit: yuan
Currency: RMB

Item	Notes	Current Period	Prior Period
Net cash payments to acquire subsidiaries and other business units			
Other cash payments in investing activities			
Subtotal Cash Outflow from Investing Activities		91,360,977.26	80,256,280.00
Net Cash Flow from Investing Activities		6,880,665.48	-79,034,924.16
3. Cash Flow from Financing Activities			
Cash proceeds from absorbing investment			
Cash receipts from borrowing		165,000,000.00	135,000,000.00
Cash receipts from issuing bonds			
Other cash receipts in financing activities			
Subtotal Cash Inflow from Financing Activities		165,000,000.00	135,000,000.00
Cash repayments of amount borrowed		165,000,000.00	55,000,000.00
Cash payments for distribution of dividends, profits or interest expenses		6,343,986.83	3,209,997.51
Other cash payments in financing activities			
Subtotal Cash Outflow from Financing Activities		171,343,986.83	58,209,997.51
Net Cash Flow from Financing Activities		-6,343,986.83	76,790,002.49
4. Effect of exchange rate changes on cash and cash equivalent		499.72	-1,171.23
5. Net Increased in Cash and Cash Equivalent		-66,019,284.21	-23,721,610.48
Add: the Beginning Balance of Cash and Cash Equivalent		133,470,663.08	74,222,278.37
6. The Ending Balance of Cash and Cash Equivalent		67,451,378.87	50,500,667.89

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Qin Yu

Consolidated Statement of Movement on Equity

Jan-Jun 2012

Unit: yuan
Currency: RMB

Items	Amount for the Current Period								
	Paid-up Capital (Or Share Capital)	Capital Reserves	Owner's Equity Attributed to Parent			Business Risk Reserve	Undistributed Profit	Others	Minority Shareholder' Equity
			Less: Treasury Stock	Special Reserves	Surplus Reserves				
1. The ending balance for last year	422,000,000.00	522,877,777.87			43,172,707.88		-231,668,177.08		18,360,361.92
Add: Changes in Accounting Policy									
Correction for previous errors									
Others									
2. The beginning balance for this year	422,000,000.00	522,877,777.87			43,172,707.88		-231,668,177.08		18,360,361.92
3. Increase and decrease for this year (decrease represent as "-")							-31,968,668.99		499,174.15
(1) Net Profit							-31,968,668.99		499,174.15
(2) Other Comprehensive Income									
Subtotal of (1) and (2)							-31,968,668.99		499,174.15
(3) Owners' Investing and Reducing Capital									
1. Owners' investing capital									
2. Shares payment in Owners' equity									
3. Others									
(4) Profit Distribution									
1. Provision of Surplus Reserve									
2. Provision for Business Risk									
3. Distribution of Owners' (or shareholders)									
4. Others									
(5) Owners' Equity Internal Transfer									
1. Capital Reserve Transfer to Capital (or share capital)									
2. Surplus Reserve Transfer to Capital (or share capital)									
3. Surplus Reserve offset losses									
4. Others									
(6) Special Reserves									
1. Amount provided for the current period									
2. Amount expended for the current period									
(7) Others									
4. The ending balance for this year	422,000,000.00	522,877,777.87			43,172,707.88		-263,636,846.07		18,859,536.07

Consolidated Statement of Movement on Equity (continued)

Unit: yuan
Currency: RMB

Items	Amount for the Period of the Last Year								
	Owner's Equity Attributed to Parent								Total Owner's Equity
	Paid-up Capital (Or Share Capital)	Capital Reserves	Less: Treasury Stock	Special Reserves	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
Add: Changes in accounting balance									
Corrections for previous errors									
Others									
2. The beginning balance of the year	422,000,000.00	522,877,777.87			43,172,707.88		-243,051,077.92		16,113,414.44
3. Increase and decrease for this year (decrease represents as "-")							14,071,046.21		1,886,983.00
(1) Net profit							14,071,046.21		1,886,983.00
(2) Other Comprehensive Income									
Subtotal of (1) and (2)							14,071,046.21		1,886,983.00
(3) Owners' Investing and Reducing Capital									
1. Owners' investing capital									
2. Shares payment in Owners' equity									
3. Others									
(4) Profit Distribution									
1. Provision of Surplus Reserve									
2. Provision for Business Risk									
3. Distribution for Owners' (or shareholders)									
4. Others									
(5) Owners' Equity Internal Transfer									
1. Capital reserve transfer to capital (or share capital)									
2. Surplus reserve transfer to capital (or share capital)									
3. Surplus reserve offset losses									
4. Others									
(6) Special reserves									
1. Amount provided for the current period									
2. Amount expended for the current period									
(7) Others									
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

Legal Person: Zhang Peiwu

Accounting Director: Jiang Chi

Accounting Manager: Qin Yu

Statement of Movement on Equity of the Parent

Jan-Jun 2012

Unit: yuan
Currency: RMB

Items	Paid-up Capital (Or Share Capital)	Capital Reserves	Amount for the Current Period			Business Risk Reserve	Undistributed Profit	Total Owner's Equity
			Less: Treasury Stock	Special Reserves	Surplus Reserves			
1. The ending balance for last year	422,000,000.00	518,165,762.89			38,071,282.24		-161,935,959.26	816,301,085.87
Add: Changes in accounting balance								
Corrections for previous errors								
Others								
2. The beginning balance of the year	422,000,000.00	518,165,762.89			38,071,282.24		-161,935,959.26	816,301,085.87
3. Increase and decrease for this year (decrease represents as "-")							-32,866,605.74	-32,866,605.74
(1) Net profit							-32,866,605.74	-32,866,605.74
(2) Other Comprehensive Income								
Subtotal of (1) and (2)							-32,866,605.74	-32,866,605.74
(3) Owners' Investing and Reducing Capital								
1. Owners' investing capital								
2. Shares payment in Owners' equity								
3. Others								
(4) Profit Distribution								
1. Provision of Surplus Reserve								
2. Provision for Business Risk								
3. Distribution for Owners' (or shareholders)								
4. Others								
(5) Owners' Equity Internal Transfer								
1. Capital reserve transfer to capital (or share capital)								
2. Surplus reserve transfer to capital (or share capital)								
3. Surplus reserve offset losses								
4. Others								
(6) Special reserves								
1. Amount provided for the current period								
2. Amount expended for the current period								
(7) Others								
4. The ending balance for this year	422,000,000.00	518,165,762.89			38,071,282.24		-194,802,565.00	783,434,480.13

Statement of Movement on Equity of the Parent (continued)

Unit: yuan
Currency: RMB

Items	Paid-up Capital (Or Share Capital)	Capital Reserves	Amount for the Same Period Last Year				Undistributed Profit	Total Owner's Equity
			Less: Treasury Stock	Special Reserves	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 balance								
Corrections for previous errors								
Others								
2. The beginning balance of the 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) Owners' Investing and Reducing Capital								
1. Owners' investing capital								
2. Shares payment in Owners' equity								
3. Others								
(4) Profit Distribution								
1. Provision of Surplus Reserve								
2. Provision for Business Risk								
3. Distribution for Owners' (or shareholders)								
4. Others								
(5) Owners' Equity Internal Transfer								
1. Capital reserve transfer to capital (or share capital)								
2. Surplus reserve transfer to capital (or share capital)								
3. Surplus reserve offset losses								
4. Others								
(6) Special reserves								
1. Amount provided for the current period								
2. Amount expended for the current period								
(7) Others								
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: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Qin Yu

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

Zhang Peiwu

Beijing, the PRC

26 July 2012

As at the date of this announcement, the Board of the Company comprises Mr. Zhang Peiwu, Mr. Chen Bangshe, Ms. Jiang Chi as executive directors, Mr. Teng Mingzhi, Ms. Wu Dongbo, Mr. Li Shenggao and Ms. Wei Li as non-executive directors and Mr. Zhang Shuangru, Ms. Wang Hui, Mr. Xie Bingguang and Mr. Wang Deyu as independent non-executive directors.