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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 THIRD QUARTERLY REPORT

1 IMPORTANT NOTICES

1.1 The board of directors (the “Board”), supervisory committee (the “Supervisory Committee”) and the directors (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.

1.2 All Directors of the Company attended the Board Meeting.

1.3 The Third Quarterly Financial Report of the Company has not been audited.

1.4 Name of Person-in-charge of the Company Zhang Peiwu

Name of Person-in-charge of Accounting Jiang Chi

Name of the director (the Head of accounting) of the accounting body Qin Yu

Zhang Peiwu, the Person-in-charge of the Company, Jiang Chi, the Person-in-charge of Accounting, and Qin Yu, the director (the Head of accounting) of the accounting body, have declared that they guarantee the truthfulness and completeness of the financial statements contained in this quarterly report.

2 BASIC CORPORATE INFORMATION

2.1 Major accounting data and financial indices

Unit: RMB

| | As at the end of the reporting period | As at the end of last year | Increase/ Decrease comparing the end of the reporting period with the end of last year (%) |
|--|---|----------------------------------|--|
| Total assets (RMB) | 1,455,007,230.07 | 1,485,441,846.03 | -2.05 |
| Owners' equity (or shareholders' equity) (RMB) | 699,835,799.33 | 756,382,308.67 | -7.48 |
| Net assets per share attributable to shareholders of listed company (RMB/share) | 1.66 | 1.79 | -7.26 |
| | From the beginning of the year to the end of the reporting period (January-September) | | Increase/ Decrease as compared with the corresponding period last year (%) |
| Net cash flow from operating activities (RMB) | | -66,482,520.67 | N/A |
| Net cash flow from operating activities per share (RMB/share) | | -0.158 | N/A |

| | | From the beginning of the year to the end of the reporting period (January- September) | Increase/ Decrease comparing the reporting period with the corresponding period last year (%) |
|---|----------------|---|--|
| Net profit attributable to shareholders of listed company (RMB) | -24,538,126.11 | -56,506,795.10 | N/A |
| Basic earnings per share (RMB/share) | -0.058 | -0.134 | N/A |
| Basic earnings per share after extraordinary items (RMB/share) | -0.059 | -0.138 | N/A |
| Diluted earnings per share (RMB/share) | -0.058 | -0.134 | N/A |
| Weighted average return on net assets (%) | -3.45 | -7.76 | -1.66% |
| Weighted average return on net assets after extraordinary items (%) | -3.49 | -8.00 | -1.57% |

Deducting extraordinary items and amount:

| | |
|--|--|
| | <i>Unit: RMB</i> |
| | Amount for the period from the beginning of the year to the end of the reporting period (January-September) |
| Items | |
| Profit/loss on 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) | 4,472,355.78 |
| Other non-operating income and expenses save for the above | -1,497,651.47 |
| Effect on minority interests (after tax) | -240,229.60 |
| Total | <u>1,778,816.01</u> |

2.2 Total number of shareholders and shareholding of top ten shareholders of shares not subject to trading moratorium at the end of reporting period

Unit: share

| | |
|---|--|
| Total number of shareholders at the end of the reporting period | 17,294 (including: 17,211 A share holders, 83 H share holders) |
|---|--|

Shareholding Of Top Ten Shareholders Of Circulating Shares Not Subject To Trading Moratorium

| Name of shareholder (Full name) | Number of circulating shares not subject to trading moratorium held at the end of the period | Class of shares |
|---|---|---------------------------------------|
| Beiren Group Corporation | 201,620,000 | Renminbi ordinary shares |
| HKSCC NOMINEES LIMITED | 98,651,199 | Foreign shares listed domestically |
| Beijing Tonglong Investment Consulting Co., Ltd. | 1,676,600 | Renminbi ordinary shares |
| Zhan Chunxin | 900,000 | Renminbi ordinary shares |
| Wang Meian | 874,200 | Renminbi ordinary shares |
| Wu Zhiqiang | 820,000 | Renminbi ordinary shares |
| Wu Guangli | 769,831 | Renminbi ordinary shares |
| Chanjuan | 756,282 | Renminbi ordinary shares |
| Tao Neng | 748,477 | Renminbi ordinary shares |
| Tang Binbin | 736,300 | Renminbi ordinary shares |

3 SIGNIFICANT EVENTS

3.1 Details and reasons for material changes in major items of financial statement and financial indices of the Company

✓ Applicable ☐ Not Applicable

1. Cash and cash equivalents decreased by 49.50% compared with the beginning of the year, mainly due to the fact that decrease in received payments from sale of goods;
2. Bills receivables decreased by 36.68% compared with the beginning of the year, mainly due to the fact that bills receivable were endorsed;
3. Account receivable increased by 47.05% compared with the beginning of the year, mainly due to the fact that decrease in received payments from sale of goods;
4. Construction in progress increased by 64.89% compared with the beginning of the year, mainly due to the payment of construction cost;
5. Bills payables decreased by 41.00% compared with the beginning of the year, mainly due to the fact that bill payables were due;
6. Tax payable increased by 301.57% compared with the beginning of the year, mainly due to the increase in outstanding tax payable;
7. Other current liabilities s increased by 178.10% compared with the beginning of the year, mainly due to the provision for restructuring costs;
8. Financial expenses increased by 43.18% compared with January to September of last year, mainly due to the increase in loan compared with the corresponding period last year;
9. Impairment loss on assets increased by 1,423.64% compared with January to September of last year, mainly due to increase in provision for inventory impairment and increase in provision bad debts in the current period compared with the corresponding period last year;
10. Investment income decreased by 2,907.93% compared with January to September of last year, mainly due to decrease in associates' profits;
11. Non-operating income increased by 99.33% compared with January to September of last year, mainly due to the increase in government subsidy compared with the corresponding period last year;
12. Non-operating expense increased by 852.23% compared with January to September of last year, mainly due to the increase in loss on disposal of non-current assets compared with the corresponding period last year;

13. Net profit attributable to owners of parent company decreased by 10,029.88% compared with January to September of last year, mainly due to the total operating income decreased by 7.63% compared with the corresponding period last year, while operating cost only decreased 5.07%, sales expenses increased by 17.75% compared with the corresponding period last year, administrative expenses increased by 16.24% compared with the corresponding period last year, financial expenses increased by 43.18% compared with the corresponding period last year, impairment loss on assets decreased by 1,423.64% compared with January to September of last year;
14. Cash payments for goods and services acquired decreased by 32.10% compared with the corresponding period last year, mainly due to the decrease in payment for loans;
15. Payment of taxes and levy decreased by 44.40% compared with the corresponding period last year, mainly due to the decrease in outstanding tax payable at the beginning of the year compared with the corresponding period last year;
16. Cash paid for repayment of debts increased by 31.15% compared with the corresponding period last year, mainly due to the increase in repayment of bank loans;
17. Cash paid for distribution of dividends or profits or payment of interests increased by 37.82% compared with the corresponding period last year, mainly due to increase in loans compared with the corresponding period last year.

3.2 The progress and impact of significant events and the analysis and explanation for the solutions

✓ Applicable ☐ Not Applicable

The Company released an announcement on 6 April, 2012 in relation to trading in the company's shares has been suspended from 9 April, 2012, and released an announcement on 13 April, 2012 in relation to suspension of trading in relation to a material asset reorganization. The Company's beneficial controlling shareholder, Beijing Jingcheng Machinery Electric Holding Co., Ltd. (hereinafter referred to as "Jingcheng Holding"), is planning to carry out certain matters including material asset reorganization relating to the Company, the trading of shares of the Company has been suspended since 16 April, 2012 in accordance with relevant requirements. During shares suspension period, the Company released "Suspension of Trading in relation to a Material Asset Reorganization". On the sixth meeting of the seventh board of directors of the Company held on 5 July, 2012, the Company approved "Material Asset Reorganization and Connected Transaction Proposal" and announcement was also made. The Company's shares resumed trading on 6 July, 2012 in both Shanghai Stock Exchange and Hong Kong Stock Exchange.

As at the reporting date, the Company and related parties are actively promoting reorganization work, relevant financial audit, asset valuation, and profit forecast works are undergoing. After the above relevant work has been completed, board meeting of the Company will be convened again to consider material asset reorganization and related matters, disclose material asset reorganization report. Notice of shareholders' meeting

will be distributed after the relevant conditions have been satisfied and material asset reorganization and related matters will be considered on the shareholders' meeting. The Company made announcement of progress of material Asset reorganization every month during the period.

3.3 Status of fulfillment of commitments undertaken by the Company, shareholders and the actual controller

☐ Applicable ☒ Not Applicable

3.4 Warning and explanation of reasons as to the anticipated loss in accumulated net profit from the beginning of the year to the end of the next reporting period or significant changes of profit as compared with that of the corresponding period of last year

☐ Applicable ☒ Not Applicable

3.5 Implementation of cash dividend distribution policy during the reporting period

No cash dividend was distributed during the reporting period.

**Beiren Printing Machinery
Holdings Limited**
Zhang Peiwu
Legal Representative
29 October 2012

4 APPENDIX

4.1 Consolidated Balance Sheet

As at 30 September 2012

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

| Items | Balance at the end of the period | Balance at the beginning of the year |
|--|--|--|
| Current assets: | | |
| Cash and cash equivalents | 81,741,287.71 | 161,866,351.06 |
| Transaction settlement funds | | |
| Lendings to banks | | |
| Financial assets held for trading | | |
| Bills receivable | 12,830,513.03 | 20,263,400.00 |
| Accounts receivable | 241,113,704.28 | 163,969,806.39 |
| Prepayments | 23,758,954.54 | 30,187,908.20 |
| Premiums receivable | | |
| Reinsurance receivables | | |
| Reinsurance contract reserves receivable | | |
| Interest receivable | | |
| Dividends receivable | 113,600.00 | 113,600.00 |
| Other receivables | 22,029,401.90 | 17,583,975.31 |
| Purchase and resale of financial assets | | |
| Inventories | 426,335,395.76 | 422,781,854.19 |
| Non-current assets due within one year | | |
| Other current assets | | |
| Total current assets | <u>807,922,857.22</u> | <u>816,766,895.15</u> |

| Items | Balance at the end of the period | Balance at the beginning of the year |
|--|--|--|
| Non-current assets: | | |
| Granted and entrusted loans and advances | | |
| Available-for-sale financial assets | | |
| Held-to-maturity investments | | |
| Long-term receivables | | |
| Long-term equity investments | 15,397,200.46 | 15,660,364.86 |
| Investment properties | 6,603,538.61 | 6,739,095.77 |
| Fixed assets | 505,805,765.26 | 526,997,541.58 |
| Construction in progress | 5,242,403.03 | 3,179,294.90 |
| Construction materials | | |
| Disposal of fixed assets | | |
| Productive biological assets | | |
| Oil and gas assets | | |
| Intangible assets | 101,957,127.97 | 104,020,316.25 |
| Development expenditure | | |
| Goodwill | | |
| Long-term unamortised expenses | 9,367,320.00 | 9,367,320.00 |
| Deferred income tax assets | 2,711,017.52 | 2,711,017.52 |
| Other non-current assets | | |
| | <hr/> | <hr/> |
| Total non-current assets | 647,084,372.85 | 668,674,950.88 |
| | <hr/> | <hr/> |
| Total assets | <u><u>1,455,007,230.07</u></u> | <u><u>1,485,441,846.03</u></u> |

| Items | Balance at the end of the period | Balance at the beginning of the year |
|--|---|---|
| Current liabilities: | | |
| Short-term borrowings | 221,000,000.00 | 220,000,000.00 |
| Borrowings from central bank | | |
| Receipt of deposits and deposits from other banks | | |
| Loans from other banks | | |
| Financial liabilities held for trading | | |
| Bills payables | 10,000,000.00 | 16,950,000.00 |
| Accounts payable | 316,546,318.68 | 272,997,745.92 |
| Receipts in advance | 69,957,166.74 | 88,449,580.42 |
| Funds from sale and repurchase of financial assets | | |
| Handling charges and commission payable | | |
| Wage payable | 28,056,232.79 | 39,091,724.51 |
| Tax payable | 8,323,522.42 | -4,129,380.97 |
| Interest payable | 790,142.00 | 751,944.17 |
| Dividends payable | | |
| Other payables | 43,425,562.40 | 41,361,493.75 |
| Reinsurance payables | | |
| Insurance contract reserves | | |
| Funds from securities trading agency | | |
| Funds from securities underwriting agency | | |
| Non-current liabilities due within one year | | |
| Other current liabilities | 6,276,750.63 | 2,257,016.55 |
| | <hr/> | <hr/> |
| Total current liabilities | <u>704,375,695.66</u> | <u>677,730,124.35</u> |

| Items | Balance at the end of the period | Balance at the beginning of the year |
|--|--|--|
| Non-current liabilities: | | |
| Long-term borrowings | | |
| Bonds payable | | |
| Long-term payables | | |
| Special payables | 32,071,309.37 | 31,685,168.05 |
| Estimated liabilities | 542,407.38 | 567,607.38 |
| Deferred income tax liabilities | | |
| Other non-current liabilities | 916,476.22 | 716,275.66 |
| | | |
| Total non-current liabilities | 33,530,192.97 | 32,969,051.09 |
| | | |
| Total liabilities | 737,905,888.63 | 710,699,175.44 |
| | | |
| Owners' equity (or shareholders' equity): | | |
| Paid-up capital (or share capital) | 422,000,000.00 | 422,000,000.00 |
| Capital reserve | 522,838,063.63 | 522,877,777.87 |
| Less: Treasury stock | | |
| Special reserve | | |
| Surplus reserve | 43,172,707.88 | 43,172,707.88 |
| General risk provision | | |
| Undistributed profit | -288,174,972.18 | -231,668,177.08 |
| Exchange difference arising on translation of foreign currency statements | | |
| Total owners' equity attributable to parent company | 699,835,799.33 | 756,382,308.67 |
| Minority interests | 17,265,542.11 | 18,360,361.92 |
| | | |
| Total owners' equity | 717,101,341.44 | 774,742,670.59 |
| | | |
| Total liabilities and owners' equity | 1,455,007,230.07 | 1,485,441,846.03 |

Legal Representative of the
Company:
Zhao Guorong

Person-in-charge of
Accounting:
Jiang Chi

Director of the accounting
body:
Qin Yu

Balance Sheet of the Parent Company*As at 30 September 2012*

Prepared by: Beiren Printing Machinery Holdings Limited

*Unit: Yuan**Currency: RMB**Audit type: Unaudited*

| Items | Balance at the end of the period | Balance at the beginning of the year |
|--|---|---|
| Current assets: | | |
| Cash and cash equivalents | 62,189,587.30 | 133,470,663.08 |
| Financial assets held for trading | | |
| Bills receivable | 11,780,513.03 | 16,108,400.00 |
| Accounts receivable | 159,254,400.89 | 102,108,162.49 |
| Prepayments | 5,659,738.44 | 2,001,561.11 |
| Interest receivable | 303,400.01 | 343,324.17 |
| Dividends receivable | 113,600.00 | 113,600.00 |
| Other receivables | 9,252,780.26 | 7,085,647.86 |
| Inventories | 288,539,268.35 | 289,129,226.98 |
| Non-current assets due within one year | | |
| Other current assets | 90,000,000.00 | 95,000,000.00 |
| | <hr/> | <hr/> |
| Total current assets | 627,093,288.28 | 645,360,585.69 |

| Items | Balance at the end of the period | Balance at the beginning of the year |
|---|--|--|
| Non-current assets: | | |
| Available-for-sale financial assets | | |
| Held-to-maturity investments | | |
| Long-term receivables | | |
| Long-term equity investments | 165,259,899.72 | 165,473,064.12 |
| Investment properties | 6,603,538.61 | 6,739,095.77 |
| Fixed assets | 388,802,197.17 | 406,098,867.03 |
| Construction in progress | 5,135,169.31 | 2,816,487.16 |
| Construction materials | | |
| Disposal of fixed assets | | |
| Productive biological assets | | |
| Oil and gas assets | | |
| Intangible assets | 83,116,574.87 | 84,638,825.87 |
| Development expenditure | | |
| Goodwill | | |
| Long-term unamortised expenses | 9,367,320.00 | 9,367,320.00 |
| Deferred income tax assets | | |
| Other non-current assets | | |
| | | |
| Total non-current assets | 658,284,699.68 | 675,133,659.95 |
| | | |
| Total assets | 1,285,377,987.96 | 1,320,494,245.64 |
| | | |
| Current liabilities: | | |
| Short-term borrowings | 210,000,000.00 | 210,000,000.00 |
| Financial liabilities held for trading | | |
| Bills payable | | |
| Accounts payable | 184,837,049.49 | 176,242,675.31 |
| Receipts in advance | 17,110,800.57 | 12,730,422.05 |
| Wage payable | 11,995,882.41 | 22,320,919.37 |
| Tax payable | 5,717,278.63 | -4,622,406.84 |
| Interest payable | 790,142.00 | 751,944.17 |
| Dividends payable | | |
| Other payables | 57,035,724.34 | 58,521,768.96 |
| Non-current liabilities due within one year | | |
| Other current liabilities | 3,475,389.12 | 1,706,815.99 |
| | | |
| Total current liabilities | 490,962,266.56 | 477,652,139.01 |

| Items | Balance at the end of the period | Balance at the beginning of the year |
|---|--|--|
| Non-current liabilities: | | |
| Long-term borrowings | | |
| Bonds payable | | |
| Long-term payables | | |
| Special payables | 26,345,183.99 | 25,973,413.38 |
| Estimated liabilities | 542,407.38 | 567,607.38 |
| Deferred income tax liabilities | | |
| Other non-current liabilities | | |
| | | |
| Total non-current liabilities | 26,887,591.37 | 26,541,020.76 |
| | | |
| Total liabilities | 517,849,857.93 | 504,193,159.77 |
| | | |
| Owners' equity (or shareholders' equity): | | |
| Paid-up capital (or share capital) | 422,000,000.00 | 422,000,000.00 |
| Capital reserve | 518,165,762.89 | 518,165,762.89 |
| Less: Treasury stock | | |
| Special reserve | | |
| Surplus reserve | 38,071,282.24 | 38,071,282.24 |
| General risk provision | | |
| Undistributed profit | -210,708,915.10 | -161,935,959.26 |
| | | |
| Total owners' equity (or shareholders' equity) | 767,528,130.03 | 816,301,085.87 |
| | | |
| Total liabilities and owners' equity (or shareholders' equity) | 1,285,377,987.96 | 1,320,494,245.64 |

Legal Representative of the
Company:
Zhang Peiwu

Person-in-charge of
Accounting:
Jiang Chi

Director of the accounting
body:
Qin Yu

4.2 Consolidated Income Statement

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

| Items | Amount for the current period (July-September) | Amount for the prior period (July-September) | Amount for the period from the beginning of the year to the end of the reporting period (January- September) | Amount for the period from the beginning of last year to the end of the reporting period last year (January- September) |
|--|--|--|---|---|
| 1. Total operating income | 179,274,757.32 | 178,154,231.93 | 557,217,196.68 | 603,225,496.31 |
| Including: Operating income | 179,274,757.32 | 178,154,231.93 | 557,217,196.68 | 603,225,496.31 |
| Interest income | | | | |
| Premium income | | | | |
| Handling charges and commission income | | | | |
| 2. Total operating cost | 205,803,963.40 | 192,612,193.89 | 616,564,407.04 | 602,683,316.92 |
| Including: Operating cost | 150,607,220.85 | 149,116,587.12 | 455,047,084.90 | 479,367,812.56 |
| Interest expenses | | | | |
| Handling charges and commission expenses | | | | |
| Payment of surrenders | | | | |
| Net claim expenses | | | | |
| Net provision for insurance contract reserves | | | | |
| Policy dividend payment | | | | |
| Expenses for reinsurance accepted | | | | |
| Business tax and surcharge | 1,152,053.17 | 918,884.83 | 3,491,421.41 | 3,743,111.99 |
| Sales expenses | 21,110,532.76 | 15,582,071.50 | 49,132,783.49 | 41,726,692.70 |
| Administrative expenses | 29,544,197.44 | 25,050,253.77 | 80,901,585.17 | 69,596,330.66 |
| Financial expenses | 3,228,435.06 | 2,112,078.41 | 10,133,262.94 | 7,077,293.28 |
| Impairment loss on assets | 161,524.12 | -167,681.74 | 17,858,269.13 | 1,172,075.73 |
| Add: Gain on change in fair value (loss expressed with “-”) | | | | |
| Gain on investment (loss expressed with “-”) | 1,885.26 | -3,731.07 | -263,164.40 | 9,372.19 |
| Including: Gain on investments in associates and joint ventures | 1,885.26 | -3,731.07 | -263,164.40 | 9,372.19 |
| Exchange gain (loss expressed with “-”) | | | | |

| Items | Amount for the current period (July-September) | Amount for the prior period (July-September) | Amount for the period from the beginning of the year to the end of the reporting period (January- September) | Amount for the period from the beginning of last year to the end of the reporting period last year (January- September) |
|--|--|--|---|---|
| 3. Operating profit (loss expressed with “-”) | -26,527,320.82 | -14,461,693.03 | -59,610,374.76 | 551,551.58 |
| <i>Add:</i> Non-operating income | 2,305,486.51 | 1,108,121.84 | 4,920,282.68 | 2,468,391.51 |
| <i>Less:</i> Non-operating expenses | 1,900,000.00 | 7,040.91 | 2,901,237.07 | 304,677.16 |
| Including: Loss on disposal of non-current assets | | 7,040.91 | 955,658.70 | 233,714.06 |
| 4. Total profit (total loss expressed with “-”) | -26,121,834.31 | -13,360,612.10 | -57,591,329.15 | 2,715,265.93 |
| <i>Less:</i> Income tax expenses | | | | 117,848.82 |
| 5. Net profit (net loss expressed with “-”) | -26,121,834.31 | -13,360,612.10 | -57,591,329.15 | 2,597,417.11 |
| Net profit attributable to owners of parent company | -24,538,126.11 | -13,501,987.85 | -56,506,795.10 | 569,058.36 |
| Minority interests | -1,583,708.20 | 141,375.75 | -1,084,534.05 | 2,028,358.75 |
| 6. Earnings per share: | | | | |
| (1) Basic earnings per share | -0.058 | -0.032 | -0.134 | 0.001 |
| (2) Diluted earnings per share | -0.058 | -0.032 | -0.134 | 0.001 |
| 7. Other comprehensive income | | | | |
| 8. Total comprehensive income | -26,121,834.31 | -13,360,612.10 | -57,591,329.15 | 2,597,417.11 |
| Total comprehensive income attributable to owners of parent company | -24,538,126.11 | -13,501,987.85 | -56,506,795.10 | 569,058.36 |
| Total comprehensive income attributable to minority shareholders | -1,583,708.20 | 141,375.75 | -1,084,534.05 | 2,028,358.75 |

Legal Representative of the
Company:
Zhang Peiwu

Person-in-charge of
Accounting:
Jiang Chi

Director of the accounting
body:
Qin Yu

Income Statement of the Parent Company

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: Yuan
Currency: RMB
Audit type: Unaudited

| Items | Amount for the current period (July-September) | Amount for the prior period (July-September) | Amount for the period from the beginning of the year to the end of the reporting period (January- September) | Amount for the period from the beginning of last year to the end of the reporting period last year (January- September) |
|--|--|--|---|---|
| 1. Operating income | 91,514,632.68 | 71,838,626.69 | 277,646,778.14 | 285,322,500.09 |
| Less: Operating cost | 77,160,502.22 | 62,221,820.22 | 235,531,097.57 | 227,864,215.59 |
| Business tax and surcharge | 651,790.56 | 402,674.48 | 2,140,437.23 | 2,227,346.44 |
| Sales expenses | 8,258,625.76 | 5,843,151.52 | 17,873,748.65 | 15,660,340.93 |
| Administrative expenses | 19,752,899.97 | 14,894,019.85 | 48,937,899.85 | 40,463,381.76 |
| Financial expenses | 1,599,049.53 | 780,723.31 | 5,210,272.79 | 2,885,024.33 |
| Impairment loss on assets | | -167,681.74 | 16,761,630.01 | 2,062,075.73 |
| Add: Gain on change in fair value (loss expressed with “-”) | | | | |
| Gain on investment (loss expressed with “-”) | 1,885.26 | -3,731.07 | -263,164.40 | 9,372.19 |
| Including: Gains on investments in associates and joint ventures | 1,885.26 | -3,731.07 | -263,164.40 | 9,372.19 |
| 2. Operating profit (loss expressed with “-”) | -15,906,350.10 | -12,139,812.02 | -49,071,472.36 | -5,830,512.50 |
| Add: Non-operating income | | 8,153.84 | 344,094.89 | 298,326.64 |
| Less: Non-operating expenses | | | 45,578.37 | 70,963.10 |
| Including: Loss on disposal of non-current assets | | | | |
| 3. Total profit (total loss expressed with “-”) | -15,906,350.10 | -12,131,658.18 | -48,772,955.84 | -5,603,148.96 |
| Less: Income tax expenses | | | | |
| 4. Net profit (net loss expressed with “-”) | -15,906,350.10 | -12,131,658.18 | -48,772,955.84 | -5,603,148.96 |
| 5. Earnings per share: | | | | |
| (1) Basic earnings per share | | | | |
| (2) Diluted earnings per share | | | | |
| 6. Other comprehensive income | | | | |
| 7. Total comprehensive income | -15,906,350.10 | -12,131,658.18 | -48,772,955.84 | -5,603,148.96 |

Legal Representative of the
Company:
Zhang Peiwu

Person-in-charge of
Accounting:
Jiang Chi

Director of the accounting
body:
Qin Yu

4.3 Consolidated Cash Flow Statement

January – September 2012

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

| Items | Amount for the period from the beginning of the year to the end of the reporting period (January-September) | Amount for the period from the beginning of last year to the end of the reporting period last year (January-September) |
|---|---|---|
| 1. Cash flow from operating activities: | | |
| Cash receipts from sale of goods and rendering of services | 384,533,810.89 | 509,892,272.98 |
| Net increase deposits from customer and other banks | | |
| Net increase in borrowings from central bank | | |
| Net increase in loans from other financial institutions | | |
| Cash received from insurance policy premium | | |
| Net cash received from reinsurance | | |
| Net increase in policyholder deposit and investments | | |
| Net increase in disposal of financial assets held for trading | | |
| Cash received from interests, handling charges and commission | | |
| Net increase in loans from other banks | | |
| Net increase in capital from repurchase business | | |
| Receipts of taxes and levy refunds | 361,600.63 | 830,970.19 |
| Other cash receipts in operating activities | 21,114,845.53 | 21,533,818.79 |
| Subtotal of cash inflows from operating activities | 406,010,257.05 | 532,257,061.96 |
| Cash payments for goods and services acquired | 242,599,719.57 | 357,300,774.45 |
| Net increase in customers' loans and advances | | |
| Net increase in placements with central bank and other banks | | |
| Cash paid for insurance contract claims | | |
| Cash paid for interests, handling charges and commission | | |
| Cash paid for policy dividend | | |
| Cash paid to and on behalf of employees | 152,322,812.35 | 143,674,046.98 |
| Payment of taxes and levy | 22,125,207.67 | 39,790,287.72 |
| Other cash payments in operating activities | 55,445,038.13 | 45,381,727.29 |
| Subtotal of cash outflows from operating activities | 472,492,777.72 | 586,146,836.44 |
| Net cash flow from operating activities | -66,482,520.67 | -53,889,774.48 |

| Items | Amount for the period from the beginning of the year to the end of the reporting period (January-September) | Amount for the period from the beginning of last year to the end of the reporting period last year (January-September) |
|--|---|---|
| 2. Cash flow from investing activities: | | |
| Cash receipts from sale of investment | 249,051.91 | |
| Cash receipts from investment income | | |
| Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets | 1,320.00 | 4,350.00 |
| Net cash receipts from disposal of subsidiaries and other business units | | |
| Other cash receipts in investing activities | | |
| Subtotal of cash inflows from investing activities | 250,371.91 | 4,350.00 |
| Cash paid for acquiring fixed assets, intangible assets and other long-term assets | 4,837,338.26 | 4,395,802.17 |
| Cash paid for investments | 50,000.00 | |
| Net increase in pledged loans | | |
| Net cash received from subsidiaries and other business units | | |
| Other cash payments in investing activities | | |
| Subtotal of cash outflows from investing activities | 4,887,338.26 | 4,395,802.17 |
| Net cash flow from investing activities | -4,636,966.35 | -4,391,452.17 |
| 3. Cash flow from financing activities: | | |
| Cash proceeds from absorbing investment | | |
| Including: Cash receipts from absorbing minority shareholders' investments by subsidiary | | |
| Cash receipts from borrowings | 221,000,000.00 | 193,000,000.00 |
| Cash receipts from issue of bonds | | |
| Other cash receipts in financing activities | | |
| Subtotal of cash inflows from financing activities | 221,000,000.00 | 193,000,000.00 |
| Cash paid for repayment of debts | 220,000,000.00 | 167,750,000.00 |
| Cash paid for distribution of dividends or profits or payment of interest | 10,012,329.73 | 7,264,830.18 |
| Including: Subsidiary's payment of dividends and profits to minority shareholders | | |
| Other cash payments in financing activities | | 93,800.00 |
| Subtotal of cash outflows from financing activities | 230,012,329.73 | 175,108,630.18 |
| Net cash flow from financing activities | -9,012,329.73 | 17,891,369.82 |
| 4. Effect of exchange rate changes on cash and cash equivalents | 6,753.40 | 10,336.78 |
| 5. Net increase in cash and cash equivalents | -80,125,063.35 | -40,379,520.05 |
| Add: Balance of cash and cash equivalents at the beginning of the period | 161,866,351.06 | 119,043,008.51 |
| 6. Balance of cash and cash equivalents at the end of the period | 81,741,287.71 | 78,663,488.46 |

Legal Representative of the
Company:
Zhang Peiwu

Person-in-charge of
Accounting:
Jiang Chi

Director of the accounting
body:
Qin Yu

Cash Flow Statement of the Parent Company

January – September 2012

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

| Items | Amount for the period from the beginning of the year to the end of the reporting period (January-September) | Amount for the period from the beginning of last year to the end of the reporting period last year (January-September) |
|--|---|---|
| 1. Cash flow from operating activities: | | |
| Cash receipts from sale of goods and rendering of services | 187,426,764.21 | 249,367,351.44 |
| Receipts of taxes and levy refunds | 15,981.49 | 133,002.96 |
| Other cash receipts in operating activities | 6,235,495.70 | 20,767,057.34 |
| Subtotal of cash inflows from operating activities | 193,678,241.40 | 270,267,411.74 |
| Cash payments for goods and services acquired | 118,305,552.05 | 173,244,123.21 |
| Cash paid to and on behalf of employees | 91,258,062.04 | 79,897,884.59 |
| Payment of taxes and levy | 10,519,167.28 | 20,721,236.15 |
| Other cash payments in operating activities | 41,863,781.64 | 39,870,758.30 |
| Subtotal of cash outflows from operating activities | 261,946,563.01 | 313,734,002.25 |
| Net cash flow from operating activities | -68,268,321.61 | -43,466,590.51 |
| 2. Cash flow from investing activities: | | |
| Cash receipts from sale of investment | 95,249,051.91 | |
| Cash receipts from investment income | | |
| Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets | | 4,350.00 |
| Net cash receipts from disposal of subsidiaries and other business units | | |
| Other cash received relating to investing activities | 4,499,568.61 | 2,459,939.18 |
| Subtotal of cash inflows from investing activities | 99,748,620.52 | 2,464,289.18 |
| Cash paid for acquiring fixed assets, intangible assets and other long-term assets | 3,151,541.26 | 419,930.00 |
| Cash paid for investments | 90,050,000.00 | 80,000,000.00 |
| Net cash received from subsidiaries and other business units | | |
| Other cash payments in investing activities | | |
| Subtotal of cash outflows from investing activities | 93,201,541.26 | 80,419,930.00 |
| Net cash flow from investing activities | 6,547,079.26 | -77,955,640.82 |

| Items | Amount for the period from the beginning of the year to the end of the reporting period (January-September) | Amount for the period from the beginning of last year to the end of the reporting period last year (January-September) |
|---|---|---|
| 3. Cash flow from financing activities: | | |
| Cash proceeds from absorbing investment | | |
| Cash receipts from borrowings | 210,000,000.00 | 180,000,000.00 |
| Cash receipts from the issue of bonds | | |
| Other cash receipts in financing activities | | |
| Subtotal of cash inflows from financing activities | 210,000,000.00 | 180,000,000.00 |
| Cash paid for repayment of debts | 210,000,000.00 | 70,000,000.00 |
| Cash paid for distribution of dividends or profits or payment of interest | 9,566,586.83 | 5,504,247.52 |
| Other cash payments in financing activities | | |
| Subtotal of cash outflows from financing activities | 219,566,586.83 | 75,504,247.52 |
| Net cash flow from financing activities | -9,566,586.83 | 104,495,752.48 |
| 4. Effect of exchange rate changes on cash and cash equivalents | 6,753.40 | 10,336.78 |
| 5. Net increase in cash and cash equivalents | -71,281,075.78 | -16,916,142.07 |
| Add: Balance of cash and cash equivalents at the beginning of the period | 133,470,663.08 | 74,222,278.37 |
| 6. Balance of cash and cash equivalents at the end of the period | 62,189,587.30 | 57,306,136.30 |
| Legal Representative of the Company: Zhang Peiwu | Person-in-charge of Accounting: Jiang Chi | Director of the accounting body: Qin Yu |

As at the date of this announcement, the Board comprises Mr. Zhang Peiwu, Mr. Chen Bangshe and 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.