

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



北人印刷機械股份有限公司

BEIREN PRINTING MACHINERY HOLDINGS LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0187)

- (I) VERY SUBSTANTIAL ACQUISITION, VERY SUBSTANTIAL DISPOSAL AND
CONNECTED TRANSACTIONS IN RELATION TO THE MATERIAL ASSET
REORGANISATION OF THE COMPANY;
(II) PROFIT FORECASTS IN RESPECT OF THE TARGET COMPANIES AND
THE REORGANISED GROUP;
(III) PROPOSED CHANGE OF NAME OF THE COMPANY;
AND
(IV) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

Reference is made to the announcement of the Company dated 5 July 2012, whereby it was disclosed that the Company and Jingcheng Holding has entered into a conditional Reorganisation Framework Agreement.

(I) THE MATERIAL ASSET REORGANISATION AGREEMENT

On 2 November 2012, the Board held a board meeting to approve, among other things, the Reorganisation Report (draft), the valuation reports and audit reports in respect of the Outgoing Assets and the Incoming Assets, at which financial figures including the consideration for the Acquisition and the Disposal were determined and approved. Accordingly, on 2 November 2012, the Company, Jingcheng Holding and Beiren Group entered into the conditional Material Asset Reorganisation Agreement in respect of the Reorganisation which comprises the Disposal and the Acquisition. The Material Asset Reorganisation Agreement supersedes and replaces the Reorganisation Framework Agreement.

LISTING RULES IMPLICATIONS OF THE REORGANISATION

As (i) one or more of the applicable percentage ratios calculated pursuant to Chapter 14 of the Listing Rules in respect of the Disposal exceed 75%, (ii) Jingcheng Holding is interested in 47.78% interest in the Company and (iii) Beiren Group is a wholly-owned subsidiary of Jingcheng Holding, the Disposal constitutes a very substantial disposal and connected transaction of the Company. As (i) one or more of the applicable percentage ratios calculated pursuant to Chapter 14 of the Listing Rules in respect of the Acquisition exceed 100%, (ii) Jingcheng Holding is interested in 47.78% interest in the Company and (iii) Beiren Group is a wholly-owned subsidiary of Jingcheng Holding, the Acquisition constitutes a very substantial acquisition and connected transaction of the Company.

Accordingly, the Reorganisation, comprising the Disposal and the Acquisition, is subject to the reporting, announcement and independent shareholders' approval requirements of the Listing Rules. As at the date of this announcement, Jingcheng Holding is interested in 201,620,000 A Shares, representing approximately 47.78% of the total issued Shares. Accordingly, Jingcheng Holding and its associates will abstain from voting on the relevant resolution(s) at the EGM to be convened for the purpose of approving the Reorganisation.

Pursuant to the Listing Rules, the Independent Board Committee comprising all the independent non-executive Directors has been established by the Company to advise the Independent Shareholders on the terms of the Material Asset Reorganisation Agreement and the transactions contemplated thereunder.

(II) PROFIT FORECASTS IN RESPECT OF THE TARGET COMPANIES AND THE REORGANISED GROUP FOR THE TWO YEARS ENDING 31 DECEMBER 2013

In compliance with PRC laws and regulations, the Board has reviewed and approved the Profit Forecasts for the two years ending 31 December 2013 in the board meeting held on 2 November 2012. The Profit Forecasts have been disclosed by the Company on the Shanghai Stock Exchange on the date of this announcement. To ensure equal dissemination of unpublished price sensitive information in the stock exchange markets where the Shares are listed, the Company discloses the details of the Profit Forecasts by way of this announcement.

(III) PROPOSED CHANGE OF NAME OF THE COMPANY

The Board proposed to change the Chinese name of the Company from “北人印刷機械股份有限公司” to “北京京城機電股份有限公司” (provisional name only, the name specified in the relevant industrial and commercial registration shall prevail), and the English name of the Company from “Beiren Printing Machinery Holding Limited” to “Beijing Jingcheng Machinery Electric Company Limited”.

The proposed change of name of the Company is subject to the fulfilment of the conditions set out in the section headed “(III) Proposed change of name of the Company – Conditions for the Change of Name” in this announcement.

A further announcement will be made upon the change of name has become effective.

(IV) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

To enhance the transparency of dividend distribution in cash so as to provide a steady expectation of return for the investors, and in combination with the actual situation of the Company pursuant to the requirements of the “Notice Regarding Further Improvement of Cash Dividends Distribution of Listed Companies” of Beijing Securities Regulatory Bureau, the Board has in the seventh meeting of the seventh session of the Board passed the “Resolution in relation to the amendment of the Articles of Association of the Company”. Such proposed amendments provide for, among other things, the basic principles of the profit distribution policy of the Company and the procedures for considering the profit distribution plan of the Company. The proposed amendments to the Articles of Association are subject to the approval of the Shareholders by way of special resolution at the EGM. Details of the proposed amendments shall be set out in the circular to be despatched to the Shareholders.

CIRCULAR

A circular containing, inter alia, (i) further information in respect of the Material Asset Reorganisation Agreement and the transactions contemplated thereunder; (ii) further information in respect of the New Business and the Incoming Assets; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders with respect to the Material Asset Reorganisation Agreement; (iv) the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders with respect to the Material Asset Reorganisation Agreement; (v) the proposed amendments to the Articles of Association of the Company; and (vi) the proposed change of name of the Company, is expected to be despatched to the Shareholders by 30 November 2012 as additional time is required for finalizing the contents of the Circular.

Full versions of each of the Profit Forecasts, the valuation reports and the audit reports in respect of the Incoming Assets and the Outgoing Assets will be appended to the Circular.

All material information in relation to the Reorganisation Report (draft) has been disclosed in this announcement. Investors can also refer to the Reorganisation Report (draft) (in Chinese only), which has incorporated the Profit Forecasts, the valuation reports and the audit reports in respect of the Incoming Assets and the Outgoing Assets published on the website of the Shanghai Stock Exchange (www.sse.com.cn) by the Company on the same date of this announcement.

The Profit Forecasts were prepared based on the assumptions and estimations made by the Directors for illustrative purposes only and do not provide any assurance or indication that any event will take place in the future and may not give a true picture of the results of the Group for the two years ending 31 December 2012, 2013 and thereafter.

Grand Vinco Capital Limited, the Hong Kong financial adviser of the Company, has confirmed that nothing has come to their attention that causes them to believe the assumptions do not give reasonable bases for the Profit Forecasts and in their opinion, the Profit Forecasts have been properly compiled in accordance with the assumptions and presented in accordance with the basis of preparation stated therein.

As the Board has made no reference to the Profit Forecasts in determining the terms for the Reorganisation, the Shareholders and potential investors in H Shares should not rely on the information in the Profit Forecasts when they assess the merits and demerits of the Reorganisation.

Completion of the Material Asset Reorganisation Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein and therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

Reference is made to the announcement of the Company dated 5 July 2012 (the “**Announcement**”), whereby it was disclosed that the Company and Jingcheng Holding has entered into a conditional Reorganisation Framework Agreement. It was disclosed in the Announcement that as the due diligence, auditing and valuation of the Outgoing Assets and/or the Incoming Assets have yet to be completed, the details of the Reorganisation and all figures in relation thereto (including the consideration) are subject to further adjustment and approval of the Board.

On 2 November 2012, the Board held a board meeting to approve, among other things, the Reorganisation Report (draft), the valuation reports and audit reports in respect of the Outgoing Assets and the Incoming Assets, following which financial figures including the consideration for the Acquisition and the Disposal were determined and approved. Accordingly, on 2 November 2012, the Company, Jingcheng Holding and Beiren Group entered into the conditional Material Asset Reorganisation Agreement pursuant to which the Company shall transfer or procure the transfer of the Outgoing Assets (representing all the assets and liabilities of the Company) to Beiren Group on the instructions of Jingcheng Holding (the “**Disposal**”); and in consideration thereof, Jingcheng Holding shall transfer or procure (a) the transfer of the Incoming Assets (being 71.56% equity interest in Tianhai Industrial (so far as the Directors are aware, Jingcheng Holding has taken steps to increase the registered capital of Tianhai Industrial by RMB230,000,000 and Jingcheng Holding’s interest in Tianhai Industrial will be increased to approximately 88.51%, following which the entire 88.51% equity interest held by Jingcheng Holding will be transferred to the Company pursuant to the Reorganisation), 100% interest in Jingcheng HK and 100% interest in Jingcheng Compressor (after disposal of its environmental protection business) to the Company (the “**Acquisition**”) and (b) the payment of a cash consideration in the amount of RMB6,145,600.

The audit reports and the valuation reports in respect of the Incoming Assets and the Outgoing Assets shall be incorporated in the Circular and despatched to the Shareholders. The Reorganisation Report (draft) shall be submitted to the CSRC for their review and approval upon the approval by the Independent Shareholders of the Reorganisation at the EGM. Upon the approval by the CSRC of the Reorganisation Report (draft), the final Reorganisation Report (in Chinese only) shall be published on the website of the Company and the Stock Exchange. The Company currently expects the final Reorganisation Report to be published in or around March to April 2013.

(I) THE MATERIAL ASSET REORGANISATION AGREEMENT

Date

2 November 2012

Parties

1. The Company;
2. Jingcheng Holding; and
3. Beiren Group

The Disposal

Subject to the terms and conditions of the Material Asset Reorganisation Agreement, the Company has agreed to transfer or procure the transfer of, and Jingcheng Holding has agreed to accept transfer of, the Outgoing Assets by its wholly-owned subsidiary, Beiren Group.

The aggregate consideration for the Disposal is RMB1,184,869,600, which was the aggregate valuation amount of the Outgoing Assets as at 31 March 2012 as set out in the valuation report in respect of the Outgoing Assets prepared by the Valuer and approved by the BSCOMC. The valuation report was prepared using the Asset Based Method.

Such consideration shall be settled by (i) the transfer to the Company of the Incoming Assets by Jingcheng Holding pursuant to the Acquisition and (ii) the payment of a cash consideration of RMB6,145,600 to the Company, being the value of the Outgoing Assets less that of the Incoming Assets, by Jingcheng Holding.

Following the Disposal, each of the Sale Subsidiaries will cease to be a subsidiary of the Company.

The Acquisition

Subject to the terms and conditions of the Material Asset Reorganisation Agreement, Jingcheng Holding has agreed to transfer or procure the transfer of, and the Company has agreed to accept transfer of, the Incoming Assets.

The valuation amount in respect of each of Tianhai Industrial, Jingcheng Compressor and Jingcheng HK at 31 March 2012 as set out in the valuation report in respect of the Incoming Assets prepared by the Valuer and approved by the BSCOMC is approximately RMB659,016,800, approximately RMB224,932,500 and approximately RMB222,209,100 respectively. Accordingly, the aggregate valuation amount of the Incoming Assets is approximately RMB918,734,000 (being the aggregate of RMB471,592,400 (i.e. $\text{RMB659,016,800} \times 71.56\%$), RMB224,932,500 and RMB222,209,100) (the “**Incoming Assets Valuation Amount**”). The valuation report was prepared using the Asset Based Method.

After 31 March 2012, the valuation date of the Valuation Report, and prior to the EGM, (i) the registered capital of Jingcheng Compressor has been increased and fully paid up by Jingcheng Holding in the amount of RMB29,990,000 and (ii) the registered capital of Tianhai Industrial shall be increased and fully paid up by Jingcheng Holding in the amount of RMB230,000,000 (the “**Increased Paid-up Capitals**”). Jingcheng Holding has further undertaken that it shall complete all formalities relating to the aforesaid increase in registered capital of Tianhai Industrial prior to the EGM.

Accordingly, the aggregate consideration for the Acquisition was RMB1,178,724,000, being the total of the Incoming Asset Valuation Amount (RMB918,734,000) and the Increased Paid-up Capitals (i.e. $\text{RMB29,990,000} + \text{RMB230,000,000}$).

Such consideration shall be settled by setting off the consideration for the transfer of the Outgoing Assets.

Conditions for the Material Asset Reorganisation Agreement to become effective

The Material Asset Reorganisation Agreement shall become effective upon each of the following conditions being satisfied:

- (a) the approval of the Reorganisation and other related matters including but not limited to the Reorganisation by the Independent Shareholders in a general meeting of the Company;
- (b) the approval by the BSCOMC of the valuation reports in respect of the Incoming Assets and the Outgoing Assets;
- (c) the approval by the Ministry of Commerce of the relevant matters of the Reorganisation;
- (d) the approval by the BSCOMC of the plans relating to the Reorganisation;
- (e) the approval by the CSRC of the plans relating to the Reorganisation; and
- (f) the approval by the Stock Exchange of the despatch of the Circular.

In the event that not all the conditions for the Material Asset Reorganisation Agreement to become effective have been fulfilled within the period to be agreed by the parties thereto, the Material Asset Reorganisation Agreement shall be of no further effect and no party shall have any claim against or liability or obligation to the other party save in respect of any deliberate or serious default (including but not limited to any breach of mandatory requirements prescribed under any applicable laws and regulations) causing any of the conditions set out above unable to be fulfilled.

Conditions to Completion

Completion is conditional upon the following conditions being satisfied:

- (a) the conditions for the Material Asset Reorganisation Agreement to become effective being fulfilled;
- (b) there being no breach or any evidence showing the breach of the Material Asset Reorganisation Agreement;
- (c) there being no violation of any applicable laws or regulations, judgments, decisions or orders issued by any judicial authorities, regulatory authorities or statutory supervisory authorities as a result of the implementation of the Reorganisation; and
- (d) all the statements and warranties contained in the Material Asset Reorganisation Agreement remain true, accurate and valid.

Jingcheng Holding, Beiren Group and the Company shall endeavour to satisfy all the conditions to Completion as set out above the soonest possible. After the approval by the CSRC of the Reorganisation is granted, Jingcheng Holding, Beiren Group and the Company shall negotiate and agree upon the Completion Date.

Completion

During the Completion Period:-

- (a) the Company shall deliver to Beiren Group all contracts, documents and information relating to the Outgoing Assets and provide assistance to complete all formalities in relation to the transfer of the Outgoing Assets;
- (b) the Company and Beiren Group shall execute confirmation documents in respect of the transfer of the Outgoing Assets;
- (c) Jingcheng Holding shall deliver to the Company all contracts, documents and information relating to the Incoming Assets; and
- (d) Jingcheng Holding and the Company shall execute confirmation documents in respect of the transfer of the Incoming Assets. Jingcheng Holding shall also ensure the Company's legal ownership of 71.56% interest in Tianhai Industrial (or approximately 88.51% interest in Tianhai Industrial if the increase in paid-up capital of Tianhai Industrial is completed prior to the Completion), 100% interest in Jingcheng HK and 100% interest in Jingcheng Compressor shall be filed with the relevant commerce department and recorded in the respective articles of association of each of Tianhai Industrial, Jingcheng HK and Jingcheng Compressor.

Jingcheng Holding has further undertaken that it shall complete the aforesaid increase in the registered capital of Tianhai Industrial prior to the EGM.

The Company shall become the legal owner of 71.56% interest in Tianhai Industrial (or approximately 88.51% interest in Tianhai Industrial if the increase in paid-up capital of Tianhai Industrial is completed prior to the Completion), 100% interest in Jingcheng HK and 100% interest in Jingcheng Compressor, and enjoy the full shareholders' rights in respect of the said interests upon the Completion Date.

In the event that transfer of certain Outgoing Assets is subject to authorisation or consent from third parties and such authorisation or consent cannot be obtained prior to the Completion Date, the Company shall hold such Outgoing Assets on behalf of Beiren Group until such authorisation or consent has been obtained and the relevant Outgoing Assets have been legally and validly transferred to Beiren Group.

Replacement of the Reorganisation Framework Agreement

Jingcheng Holding, Beiren Group and the Company agree that the Material Asset Reorganisation Agreement supersedes and replaces the Reorganisation Framework Agreement.

Profit and Loss in respect of the Outgoing Assets and the Incoming Assets

Jingcheng Holding and the Company agreed that, upon fulfilment of all the conditions for the Material Asset Reorganisation Agreement to become effective:-

- (a) all the profit and loss in relation to the Outgoing Assets arising from or incurred during the Transition Period shall belong to or be borne by Beiren Group; and
- (b) all the profit and loss in relation to the Incoming Assets arising from or incurred during the Transition Period shall belong to or be borne by the Company.

Transfer of creditors' rights or liabilities

Upon Completion, all creditors' rights, debts and/or liabilities in respect of the Outgoing Assets shall be borne by Beiren Group.

The Company shall in accordance with the relevant laws notify its creditors and debtors about the aforesaid transfer and obtain consent by the relevant creditors. In the event that creditors assert their rights against the Company, Beiren Group shall, upon written notice by the Company, be responsible for all the liabilities and costs arising in connection therewith and forfeit their right to seek compensation from the Company. Beiren Group shall further indemnify the Company of all liabilities or loss incurred in connection with the aforesaid.

Arrangements in respect of staff of the Outgoing Assets

In accordance with the principle of “people move with the assets” (人隨資產走), it is expected that upon completion of the Reorganisation, all the staff in respect of the Outgoing Assets will be transferred to and settle in Beiren Group, whereupon Beiren Group shall continue to provide such staff with all the benefits enjoyed by them during their tenure at the Company.

INFORMATION ON THE OUTGOING ASSETS

The Sale Subsidiaries

Shaanxi Beiren

Shaanxi Beiren is a limited liability company established in the PRC and is currently owned by the Company as to approximately 86.24%. It is principally engaged in the manufacture, sale and maintenance of printing machines, copying machines, packing machines, engineering machines, electrical equipments and relevant fittings; and the manufacture and sale of typesetting machines and printing equipment.

Based on the audited financial statements of Shaanxi Beiren for the two years ended 31 December 2011 prepared in accordance with CASBE, its net profits (loss) before and after taxation and minority interests for the two financial years ended 31 December 2011 were as follows:

| For the year ended 31 December 2010 | | For the year ended 31 December 2011 | |
|--|--|--|--|
| Audited net profit (loss) before taxation (‘000 RMB) | Audited net profit (loss) after taxation and minority interest (‘000 RMB) | Audited net profit (loss) before taxation (‘000 RMB) | Audited net profit (loss) after taxation and minority interest (‘000 RMB) |
| 7,740 | 7,542 | 11,942 | 11,912 |

Based on the audited financial statements of Shaanxi Beiren for the two years ended 31 December 2011 prepared in accordance with CASBE, the audited net asset value and the audited total asset value of Shaanxi Beiren as at 31 December 2011 were as follows:

| As at 31 December 2011 | |
|---|---------------------------------------|
| Audited total asset value (‘000 RMB) | Audited net asset value (‘000 RMB) |
| 341,967 | 76,172 |

Beiren Fuji

Beiren Fuji is a limited liability company established in the PRC and is currently owned by the Company as to approximately 70%. It is principally engaged in the manufacture of printing machines and the sale of self-manufactured products.

Based on the audited consolidated financial statements of Beiren Fuji for the two years ended 31 December 2011 prepared in accordance with CASBE, its net profit (loss) before and after taxation and minority interest for two years ended 31 December 2011 were as follows:

| For the year ended 31 December 2010 | | For the year ended 31 December 2011 | |
|--|--|--|--|
| Audited net profit (loss) before taxation (‘000 RMB) | Audited net profit (loss) after taxation and minority interest (‘000 RMB) | Audited net profit (loss) before taxation (‘000 RMB) | Audited net profit (loss) after taxation and minority interest (‘000 RMB) |
| (7,482) | (12,783) | 2,044 | 2,044 |

Based on the audited consolidated financial statements of Beiren Fuji for the year ended 31 December 2011 prepared in accordance with CASBE, the audited net asset value and the audited total asset value of Beiren Fuji as at 31 December 2011 were as follows:

As at 31 December 2011

| Audited total asset value (‘000 RMB) | Audited net asset value (‘000 RMB) |
|---|---------------------------------------|
| 77,654 | 26,217 |

Beiren Jingyan

Beiren Jingyan is a limited liability company established in the PRC and is currently wholly-owned by the Company. It is principally engaged in the manufacture of printing machines and relevant components and the provision of relevant technical consulting services.

Based on the audited consolidated financial statements of Beiren Jingyan for the two years ended 31 December 2011 prepared in accordance with CASBE, its net profit (loss) before and after taxation and minority interest for two financial years ended 31 December 2011 were as follows:

| For the year ended 31 December 2010 | | For the year ended 31 December 2011 | |
|--|--|--|--|
| Audited net profit (loss) before taxation (‘000 RMB) | Audited net profit (loss) after taxation and minority interest (‘000 RMB) | Audited net profit (loss) before taxation (‘000 RMB) | Audited net profit (loss) after taxation and minority interest (‘000 RMB) |
| (4,800) | (4,800) | (2,234) | (2,234) |

Based on the audited consolidated financial statements of Beiren Jingyan for the year ended 31 December 2011 prepared in accordance with CASBE, the audited net asset value and the audited total asset value of Beiren Jingyan as at 31 December 2011 were as follows:

As at 31 December 2011

| Audited total asset value (‘000 RMB) | Audited net asset value (‘000 RMB) |
|---|---------------------------------------|
| 21,969 | 5,843 |

Other investments of the Company

49% equity interests in Beijing Monigraf

Beijing Monigraf is a Sino-foreign equity joint venture enterprise established in the PRC which is owned as to 49% by the Company. Its operating scope includes the research and development, design, manufacture, sale of the control system of printing ink within the printer, the sale of the printing facilities and printing material, and in connection with its own products' illustration, adjustment, maintenance, technology advisory and training.

20% equity interests in Beijing Beiyong

Beijing Beiyong is a limited liability company established in the PRC which is owned as to 20% by the Company. Its operating scope includes the processing and sale of standard and non-standard components, manufacture of casting, processing of model, technology development, transfer, consultation, service.

49% equity interests in Mitsubishi Beiren

Mitsubishi Beiren is a Sino-foreign equity joint venture enterprise established in the PRC which is owned as to 49% by the Company. Its operating scope includes the manufacture and sale of printing machinery, related technology consultation and service.

INFORMATION ON THE INCOMING ASSETS

Target Companies

Tianhai Industrial

Tianhai Industrial is a Sino-foreign equity joint venture enterprise established in the PRC wholly owned by Jingcheng Holding, of which 71.56% equity interest is held by Jingcheng Holding directly and 28.44% equity interests is held by Jingcheng Holding through Jingcheng HK. So far as the Directors are aware, Jingcheng Holding has taken steps to increase the registered capital of Tianhai Industrial by RMB230,000,000. Upon the approval by relevant governmental authorities of such capital increase, Jingcheng Holding shall own approximately 88.51% equity interest in Tianhai Industrial. It is principally engaged in the research and development, manufacture and sale of equipment for gas storage and transportation.

Tianhai Industrial, together with its various subsidiaries, possess various qualifications relating to the design of class A1, A2, C2, C3 pressured cylinders and the manufacture of class A1, A2, B1, B2, B3, C3, D1, D2 pressured cylinders. The major products of Tianhai Industrial and its subsidiaries include seamless steel gas cylinders (鋼質無縫氣瓶), hoop-wrapped gas culinders (纏繞氣瓶), gas cylinders with seams (焊接氣瓶), cryogenic gas cylinders (低溫氣瓶) and large cryogenic storage and transportation equipment (大型低溫儲運裝備). Each of the products are designed for the storage and transportation of different types of gas, including but not limited to industrial gas, fire control gas (such as carbon dioxide), liquefied oxygen, liquefied nitrogen, automobile compressed natural gas and liquefied natural gas.

Based on the audited consolidated financial statements of Tianhai Industrial for the year ended 31 December 2011 prepared in accordance with CASBE, the audited total asset value and audited net asset value of Tianhai Industrial are set out as follows:

| As at 31 December 2011 | |
|---|---------------------------------------|
| Audited total asset value (‘000 RMB) | Audited net asset value (‘000 RMB) |
| 1,655,964 | 486,477 |

Based on the audited consolidated financial statements of Tianhai Industrial for the two years ended 31 December 2011 prepared in accordance with CASBE, the profit (loss) before taxation and profit (loss) after taxation and minority interest of Tianhai Industrial for the years ended 31 December 2010 and 31 December 2011 are set out as below:

| For the year ended 31 December 2010 | | For the year ended 31 December 2011 | |
|--|--|--|--|
| Audited net profit (loss) before taxation (‘000 RMB) | Audited net profit (loss) after taxation and minority interest (‘000 RMB) | Audited net profit (loss) before taxation (‘000 RMB) | Audited net profit (loss) after taxation and minority interest (‘000 RMB) |
| (9,521) | (8,156) | 56,965 | 44,745 |

The aggregate original purchase cost of the entire interests in Tianhai Industrial held, directly and indirectly, by Jingcheng Holding was approximately RMB231,944,000.

Jingcheng Compressor

Jingcheng Compressor is a limited liability company established in the PRC wholly owned by Jingcheng Holding. It is principally engaged in compress machinery business and environmental protection business. In order to avoid competition between the Company (after the Reorganisation) and other subsidiaries of Jingcheng Holding which are engaged in environmental protection business, Jingcheng Compressor has disposed of this environmental protection business in October 2012. Accordingly, Jingcheng Compressor shall only be engaged in design, manufacture and sale of air compressor products when acquired by the Company pursuant to the Reorganisation. Jingcheng Compressor’s products are used in, amongst others, the petrochemical, fine chemical, coal chemical, steel, polycrystalline silicon industries as well as for scientific research and nuclear power plants.

Based on the audited consolidated financial statements of Jingcheng Compressor for the year ended 31 December 2011 prepared in accordance with CASBE, the audited total asset value and audited net asset value of Jingcheng Compressor (excluding such amounts attributed to its environmental protection business) are set out as follows:

| | As at 31 December 2011 | |
|---|---|---|
| | Audited total asset value (‘000 RMB) | Audited net asset value (‘000 RMB) |
| Excluding such amounts attributed to its environmental protection business | 252,430 | 147,789 |

Based on the audited consolidated financial statements of Jingcheng Compressor for the two years ended 31 December 2011 prepared in accordance with CASBE, the profit (loss) before taxation and profit (loss) after taxation and minority interest of Jingcheng Compressor for the years ended 31 December 2010 and 31 December 2011 (excluding such amounts attributed to its environmental protection business) are set out as follows:

| | For the year ended 31 December 2010 | | For the year ended 31 December 2011 | |
|---|---|--|---|--|
| | Audited net profit (loss) before taxation (‘000 RMB) | Audited net profit (loss) after taxation and minority interest (‘000 RMB) | Audited net profit (loss) before taxation (‘000 RMB) | Audited net profit (loss) after taxation and minority interest (‘000 RMB) |
| Excluding such amounts attributed to its environmental protection business | 11,140 | 10,788 | 14,853 | 14,927 |

The aggregate original purchase cost of the entire interests in Jingcheng Compressor held by Jingcheng Holding was approximately RMB83,281,000.

Jingcheng HK

Jingcheng HK is an investment holding company incorporated in Hong Kong with limited liability and whose entire issued share capital is owned by Jingcheng Holding. Other than the holding of 28.44% interest in Tianhai Industrial (So far as the Directors are aware, Jingcheng Holding has taken steps to increase the registered capital of Tianhai Industrial by RMB230,000,000. Upon the approval by relevant governmental authorities of such capital increase, Jingcheng HK shall hold approximately 11.49% equity interest in Tianhai Industrial.) and 9.48% interests in Tianjin Tianhai, Jingcheng HK has no other business operations.

Based on the audited consolidated financial statements of Jingcheng HK for the year ended 31 December 2011 prepared in accordance with CASBE, the audited total asset value and audited net asset value of Jingcheng HK after deduction of the amounts attributed to Jingcheng HK's 28.44% interest in Tianhai Industrial are set out as follows:

| As at 31 December 2011 | | |
|--|----------------------------------|--------------------------------|
| | Audited total asset value | Audited net asset value |
| | ('000 RMB) | ('000 RMB) |
| After deducting the amounts attributed to Jingcheng HK's 28.44% interest in Tianhai Industrial | 440 | 24,684 |

Based on the audited consolidated financial statements of Jingcheng HK for the two years ended 31 December 2011 prepared in accordance with CASBE, the profit (loss) before taxation and profit (loss) after taxation and minority interest of Jingcheng HK for the years ended 31 December 2010 and 31 December 2011 after deduction of the amounts attributed to Jingcheng HK's 28.44% interest in Tianhai Industrial are set out as follows:

| For the year ended 31 December 2010 | | | For the year ended 31 December 2011 | |
|---|---|-------|---|------|
| | Audited net profit (loss) after taxation and minority interest ('000 RMB) | | Audited net profit (loss) after taxation and minority interest ('000 RMB) | |
| | Audited net profit (loss) before taxation ('000 RMB) | | Audited net profit (loss) before taxation ('000 RMB) | |
| After deducting the amounts attributed to Jingcheng HK's 28.44% interest in Tianhai Industrial | 1,259 | 1,259 | (99) | (99) |

The aggregate original purchase cost of the entire interests in Jingcheng HK held by Jingcheng Holding was approximately RMB98,742,000.

As all companies owned by Jingcheng Holding which are principally engaged in the New Business are included in the Target Companies or their respective subsidiaries, Jingcheng Holding will not have an interest (other than through its interest in the Company) in a business which competes or is likely to compete, either directly or indirectly, with the New Business after the Completion.

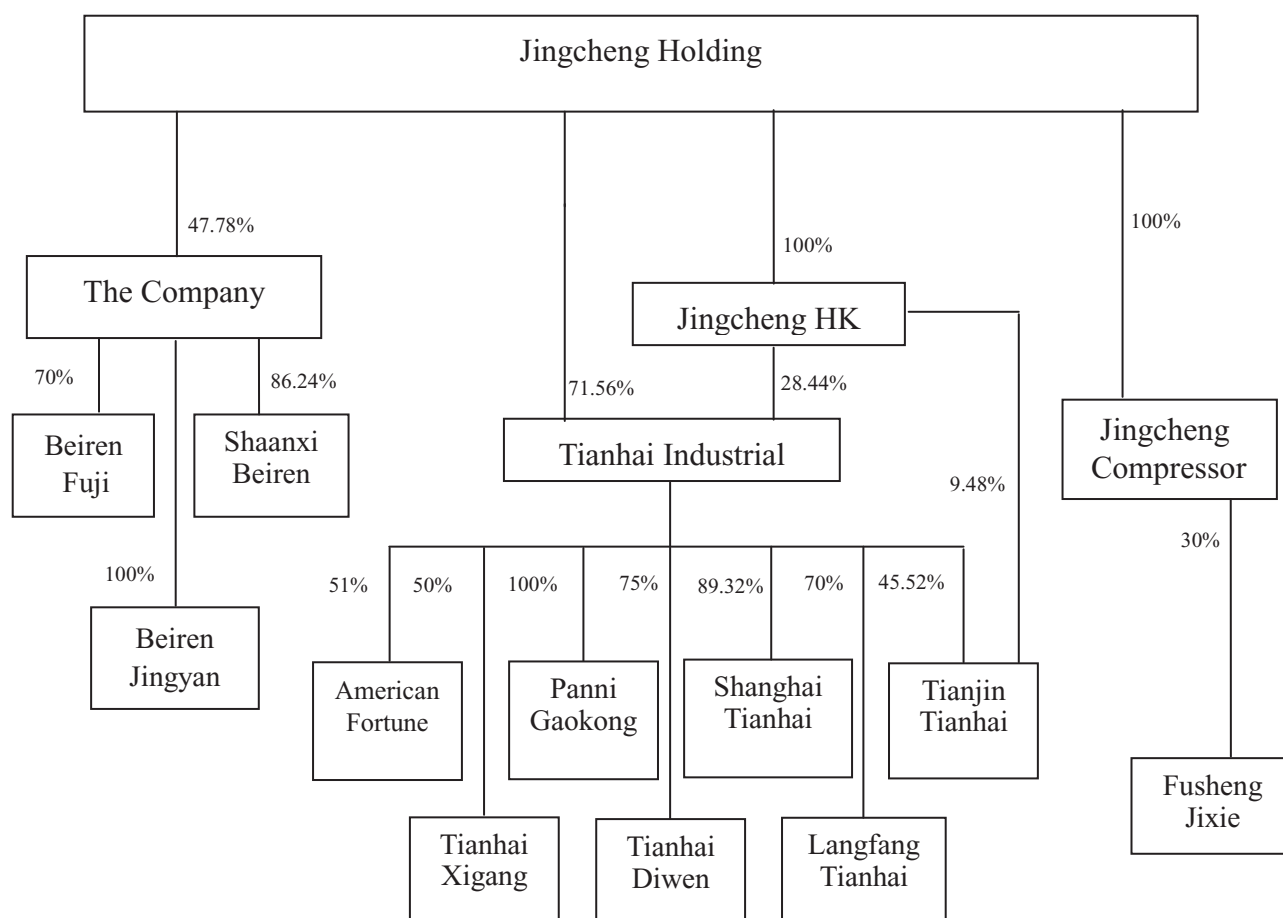
Further information on the Incoming Assets and the New Business shall be disclosed in the Circular.

Shareholding structure

Based upon the shares in issue for each of the companies identified below, as at the date of this announcement (and assuming no changes to such issued share capitals prior to Completion), the simplified shareholding structure of the relevant companies before and after the Completion will be as follows:–

Before the Completion

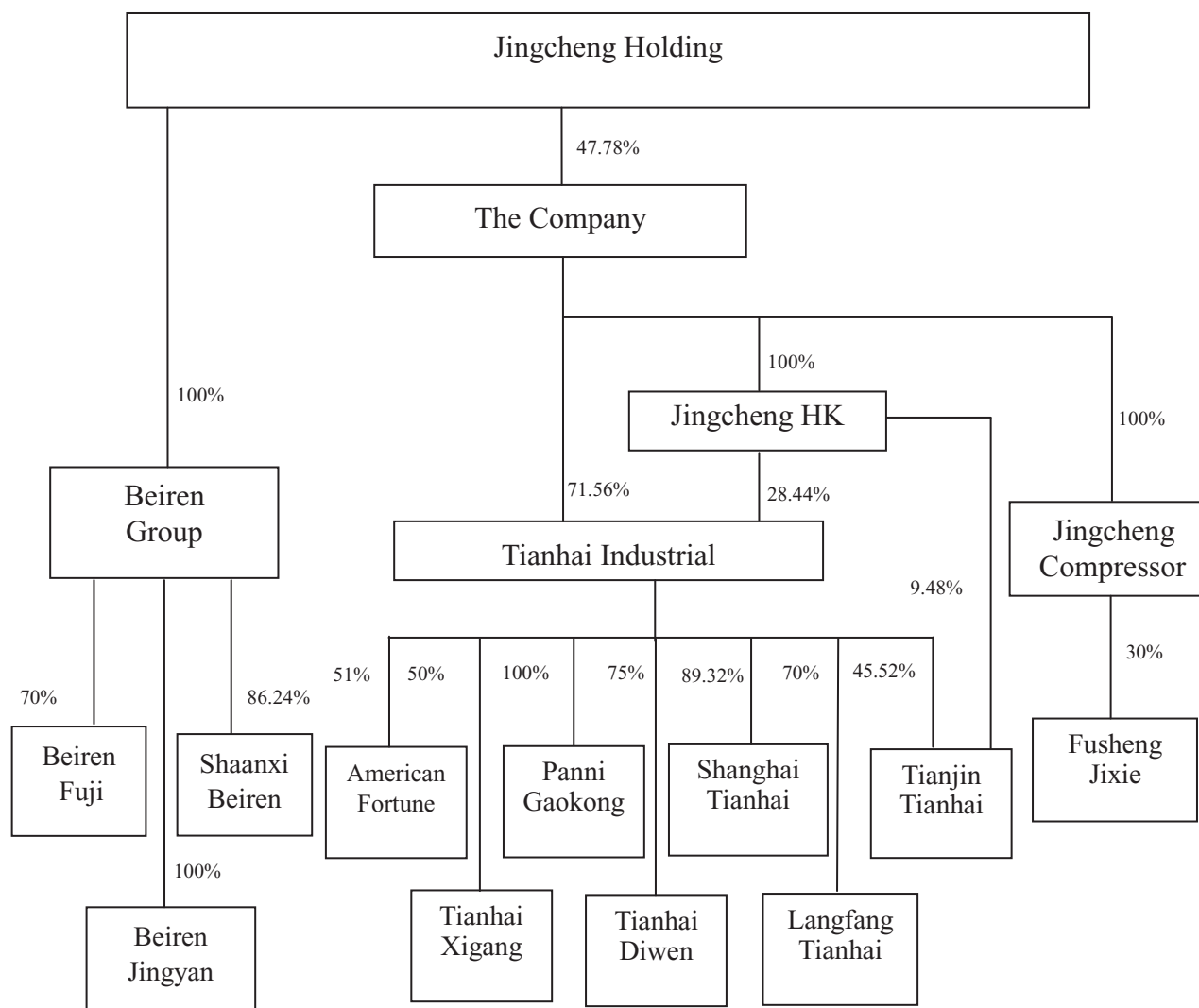
The following reflects the simplified shareholding structure of the relevant companies as at the date of this announcement.



Note: American Fortune, Tianhai Xigang, Panni Gaokong, Tianhai Diwen, Shanghai Tianhai, Langfang Tianhai, Tianjin Tianhai and Fusheng Jixie refer to American Fortune Company, 北京天海西港環境技術有限公司, 北京攀尼高空作業設備有限公司, 北京天海低溫設備有限公司, 上海天海德坤復合氣瓶有限公司, 廊坊天海高壓容器有限公司, 天津天海高壓容器有限責任公司 and 北京復盛機械有限公司 respectively, all of which are owned by Tianhai Industrial (and in respect of Tianjin Tianhai which is also owned by Jingcheng HK) or in respect of Fusheng Jixie which is owned by Jingcheng Compressor as to the relevant percentages set out above. Each of these companies specializes in or possesses different qualifications for the manufacture and sale of different types of equipment for gas storage and transportation, related components, testing equipment or other relevant products.

After the Completion

The following reflects the simplified shareholding structure of the relevant companies upon Completion (assuming no changes in the issued share capital of any of the companies prior to Completion).



Notes: American Fortune, Tianhai Xigang, Panni Gaokong, Tianhai Diwen, Shanghai Tianhai, Langfang Tianhai, Tianjin Tianhai and Fusheng Jixie refer to American Fortune Company, 北京天海西港環境技術有限公司, 北京攀尼高空作業設備有限公司, 北京天海低溫設備有限公司, 上海天海德坤復合氣瓶有限公司, 廊坊天海高壓容器有限公司, 天津天海高壓容器有限責任公司 and 北京復盛機械有限公司 respectively, all of which are owned by Tianhai Industrial (and in respect of Tianjin Tianhai which is also owned by Jingcheng HK) or in respect of Fusheng Jixie which is owned by Jingcheng Compressor as to the relevant percentages set out above. Each of these companies specializes in or possesses different qualifications for the manufacture and sale of different types of equipment for gas storage and transportation, related components, testing equipment or other relevant products.

Upon Completion, the Sale Subsidiaries will cease to be subsidiaries of the Company, the Target Companies, American Fortune, Tianhai Xigang, Panni Gaokong, Tianhai Diwen, Shanghai Tianhai, Langfang Tianhai and Tianjin Tianhai will become subsidiaries of the Company, Tianhai Xigang will become a jointly controlled entity of the Company and Funsheng Jixie will become an associated company of the Company.

Background of the Target Companies' senior management

Most of the senior management of the Target Companies has more than 10 years of relevant work experience in sales and manufacturing equipment for gas storage and transportation industries and a majority of the aforesaid senior management have been working in the Target Companies or their respective subsidiaries for over 10 years. Particulars of the senior management of the Target Companies shall be disclosed in the Circular.

REASONS FOR AND BENEFITS OF THE REORGANISATION

Due to the downturn of the printing industry as a whole, the Company had difficulty in operating in its printing machineries business. The Company recorded a loss of more than RMB100 million in each of the years ended 31 December 2008 and 2009 and the loss for the year ended 31 December 2008 was over RMB200 million. For the years ended 31 December 2007, 2010 and 2011, the profits recorded were contributed by non-operating income. The Company further recorded a loss for the seven months ended 31 July of 2012. As the difficulties currently confronting the printing industry in the PRC are not expected to be alleviated in the near future, it would be in the interest of the Company and its Shareholders to implement the Reorganisation, which involves the disposal of its existing business and an acquisition of new profitable business, to improve the profitability and prospects of the Company.

The Target Companies have 3 major products, (i) industrial gas storage and transportation equipment (including products such as industrial gas cylinders, industrial gas cryogenic gas cylinders, industrial gas cryogenic storage tank), (ii) liquefied natural gas storage and transportation equipment (including products as such hoop-wrapped compressed natural gas cylinders for vehicles, liquefied natural gas cryogenic gas cylinders and liquefied natural gas cryogenic storage tank) (which are produced by Tianhai Industrial) and (iii) gas compressor machinery (which are produced by Jingcheng Compressor). According to statistics of China Machinery Industry Federation of the PRC, among industrial gas cylinders manufacturers with an annual turnover above RMB50,000,000, Tianhai Industrial ranked first with a market share of approximately 45% in the year of 2011.

After completion of the Reorganisation, it is expected that Tianhai Industrial will continue to maintain its leading position in the gas cylinder market. Besides the continual development of cryogenic transportation equipment and natural gas cylinders equipment, the Company intends to diversify in the direction of “from cylinders to tanks, from automobiles to stations” (瓶、罐、車、站), and therefore gradually develop into a system equipment supplier and solution provider. At the same time, the Company expects Jingcheng Compressor to continue the steady development of its current compressor equipment business and expand its production lines to include large-medium size compressor machinery. This development will enable the Company to satisfy demands from the petroleum, coal, steel and chemical fertilizers industries, all of which require skillful and reliable large-medium compressor machinery.

To use clean energy is the policy of the PRC government. The manufacture and sales of gas cylinders for compressed natural gas (“CNG”) and liquefied natural gas (“LNG”) for automobiles by the Target Companies is thus expected to benefit from the more popularized and promoted use of CNG and LNG as fuel for automobiles. Since CNG and LNG gas cylinders are products with a high gross profit margin, the Company’s profitability after the Reorganisation is expected to be enhanced substantially. Further, the Target Companies have successfully obtained state certification for use in the nuclear energy industry for some of its compressor machinery. It should benefit from the rapid development of the third generation of nuclear energy plants in the PRC.

Accordingly, the Directors (excluding the independent non-executive directors whose views will be rendered upon having received the advice of the independent financial advisor) believe that the terms of the Reorganisation are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Since both the Company is under the control of Jingcheng Holding, the difference between the book value of the Outgoing Assets and that of the Incoming Assets will be recorded as capital reserve and the Company does not expect to record any profit or loss as a result of the Disposal.

The cash consideration to be received by the Company pursuant to the Disposal, being approximately RMB6,145,600, will be applied by the Company as working capital.

(II) PROFIT FORECASTS IN RESPECT OF THE TARGET COMPANIES AND THE REORGANISED GROUP

In compliance with PRC laws and regulations, the Board has reviewed and approved the Profit Forecasts for the two years ending 31 December 2013 in the board meeting held on 2 November 2012. The Profit Forecasts have been disclosed by the Company on the Shanghai Stock Exchange on the date of this announcement. To ensure equal dissemination of unpublished price sensitive information in different stock exchange markets, the details of the Profit Forecasts are set out below.

Consolidated profit forecast of Tianhai Industrial (Unit: RMB10,000)

Based on the bases and principal assumptions set out below and in the absence of unforeseen circumstances, the Directors prepared the Tianhai Industrial Profit Forecast as follows:

| Items | 2012 | | | | | |
|---|--|---|--|--|------------|--------------------------------|
| | Realized amount for 2011 (audited) | Realized amount from January to July (audited) | Realized amount from August to September (unaudited) | Forecast amount (October to December) | Total | Forecast amount for 2013 |
| 1. Total operating income | 233,154.42 | 139,882.28 | 27,712.21 | 66,933.36 | 234,527.85 | 268,449.81 |
| Of which: Operating income | 233,154.42 | 139,882.28 | 27,712.21 | 66,933.36 | 234,527.85 | 268,449.81 |
| 2. Total operating cost | 227,512.73 | 135,500.07 | 27,417.05 | 65,414.98 | 228,332.10 | 261,495.52 |
| Of which: Operating cost | 200,117.07 | 119,283.16 | 23,191.86 | 57,445.66 | 199,920.68 | 228,063.41 |
| Business tax and surcharges | 231.03 | 208.62 | 84.15 | 105.50 | 398.27 | 551.70 |
| Sales expenses | 7,698.51 | 4,542.12 | 1,103.65 | 2,080.19 | 7,725.96 | 8,979.86 |
| Management costs | 16,674.53 | 9,730.59 | 2,723.33 | 4,593.03 | 17,046.95 | 20,065.03 |
| Financing costs | 2,566.12 | 1,586.73 | 314.06 | 930.60 | 2,831.39 | 3,235.52 |
| Asset impairment loss | 225.47 | 148.85 | | 260.00 | 408.85 | 600.00 |
| Add: Gain from change in fair value (loss is marked with "-") | | | | | | |
| Investment revenue (loss is marked with "-") | -46.80 | -11.25 | | | -11.25 | |
| 3. Operating profits (loss is marked with "-") | 5,594.89 | 4,370.96 | 295.16 | 1,518.38 | 6,184.50 | 6,954.29 |
| Add: Non-operating revenue | 172.44 | 82.73 | 0.06 | | 82.79 | |
| Less: Non-operating expenses | 70.81 | 21.79 | 31.09 | | 52.88 | |
| 4. Total profits (loss is marked with "-") | 5,696.52 | 4,431.90 | 264.13 | 1,518.38 | 6,214.41 | 6,954.29 |
| Less: Income tax expenses | 988.90 | 856.83 | 169.35 | 260.92 | 1,287.10 | 1,340.13 |
| 5. Net profits (loss is marked with "-") | 4,707.62 | 3,575.07 | 94.78 | 1,257.46 | 4,927.31 | 5,614.16 |
| Net profits attributable to the shareholders of parent companies | 4,474.47 | 3,077.62 | 179.77 | 1,168.73 | 4,426.12 | 5,039.05 |
| Profits and loss of minority shareholders | 233.15 | 497.45 | -84.99 | 88.73 | 501.19 | 575.11 |

The Tianhai Industrial Profit Forecast has been prepared by the Directors for the purposes of the Reorganisation, cautiously based on information including the audited operating results of Tianhai Industrial and its subsidiaries during the year ended 31 December 2011 and the seven months ended 31 July 2012, the unaudited realized amount of Tianhai Industrial and its subsidiaries from August to September 2012 together with Tianhai Industrial's plans for production and operation, sales, investment and financing for the years ending 31 December 2012 and 2013.

The accounting policies and accounting estimation methods adopted in preparing the Tianhai Industrial Profit Forecast were in accordance with the laws and regulations currently in force in the PRC, and are consistent in all material respects with the accounting policies and accounting estimation methods actually adopted by Tianhai Industrial in preparing the financial statements of Tianhai Industrial for the year ended 31 December 2011 and the seven months ended 31 July 2012. The Tianhai Industrial Profit Forecast is prepared based on the following principal assumptions:

1. During the forecast period, there is no material change in the state laws, regulations, departmental rules and industrial policies complied by Tianhai Industrial and its subsidiaries as well as the social, political, economic and environmental situation of the region where Tianhai Industrial and its subsidiaries are located.
2. During the forecast period, there is no material change in the relevant accounting policy and accounting estimation of Tianhai Industrial and its subsidiaries.
3. During the forecast period, there is no material change in the taxation policy and the relevant preferential taxation policy complied by Tianhai Industrial and its subsidiaries.
4. During the forecast period, there is no material change in the industry that Tianhai Industrial and its subsidiaries engage in.
5. During the forecast period, there is no material change in interest rate of bank loan and foreign exchange rate.
6. During the forecast period, there is no material change in the market of the products of Tianhai Industrial and its subsidiaries, especially the international and domestic market demand of industrial gas cylinders and the relevant significant factors affecting the market demand of industrial gas cylinders.
7. During the forecast period, there is no material change in the laws, regulations and industrial rules which significantly affect the production and operation of Tianhai Industrial and its subsidiaries.
8. During the forecast period, the operation plan, marketing plan, investment plan and financing plan of Tianhai Industrial and its subsidiaries would not be unable to realize on schedule or experience a material change due to changes in external environment.
9. Tianhai Industrial and its subsidiaries having maintained the relevant certificates held by them for the production of product and timely obtained such new certificates being applied for (such as the UN certificate, etc, for exports to the United States of America); and there would not be any material effect on the international sales market as a result of non-compliance of requirements under the relevant certificates.
10. During the forecast period, the operating activities of Tianhai Industrial and its subsidiaries would not experience a material adverse impact due to shortage of manpower or resources, lagging behind in technology or material change in cost.

11. During the forecast period, there is no material change in the corporate structures of Tianhai Industrial and its subsidiaries.
12. During the forecast period, there is no other material asset transaction.
13. During the forecast period, there is no other force majeure and unexpected factors of Tianhai Industrial and its subsidiaries that would materially affect the Company.
14. During the forecast period, there is no material change in the market share of the principal businesses of Tianhai Industrial and its subsidiaries.
15. Tianhai Industrial and its subsidiaries have established strategic cooperative relationships with companies in the oil industry, are able to enter into contracts with these companies according to the negotiated intentions and is able to successfully develop and sell products in accordance with the signed contracts and operation plans.
16. The selling prices of the existing products of Tianhai Industrial and its subsidiaries would not be subject to the restrictions of the relevant authorities, there is no material change in materials supply market and there is no material change in the price of raw materials.

Profit forecast of Jingcheng Compressor (Unit: RMB10,000)

Based on the bases and principal assumptions set out below and in the absence of unforeseen circumstances, the Directors prepared the Jingcheng Compressor Profit Forecast as follows:

| Items | 2012 | | | | | | Forecast amount for 2013 |
|---|--|---|--|--|-----------|--|--------------------------------|
| | Realized amount for 2011 (audited) | Realized amount from January to July (audited) | Realized amount from August to September (unaudited) | Forecast amount (October to December) | Total | | |
| 1. Total operating income | 12,479.74 | 3,014.77 | 2,075.42 | 4,083.35 | 9,173.54 | | 10,500.00 |
| Of which: Operating income | 12,479.74 | 3,014.77 | 2,075.42 | 4,083.35 | 9,173.54 | | 10,500.00 |
| 2. Total operating cost | 12,722.20 | 4,193.57 | 2,314.95 | 4,028.64 | 10,537.15 | | 11,842.54 |
| Of which: Operating cost | 9,223.72 | 2,203.22 | 1,604.09 | 2,907.12 | 6,714.43 | | 7,860.74 |
| Business tax and surcharges | 46.64 | 8.12 | 9.70 | 19.00 | 36.82 | | 37.80 |
| Sales expenses | 1,012.45 | 551.10 | 178.88 | 285.02 | 1,015.00 | | 1,120.00 |
| Management costs | 2,510.41 | 1,232.91 | 467.86 | 749.24 | 2,450.00 | | 2,524.00 |
| Financing costs | 102.44 | 57.64 | 54.42 | 43.94 | 156.00 | | 240.00 |
| Asset impairment loss | -173.46 | 140.58 | | 24.32 | 164.90 | | 60.00 |
| Add: Gain from change in fair value (loss is marked with "-") | | | | | | | |
| Investment revenue (loss is marked with "-") | 1,801.07 | 860.59 | 303.24 | 517.67 | 1,681.50 | | 1,700.00 |
| 3. Operating profits (loss is marked with "-") | 1,558.61 | -318.21 | 63.71 | 572.39 | 317.89 | | 357.46 |
| Add: Non-operating revenue | 36.55 | 44.54 | 39.07 | | 83.61 | | |
| Less: Non-operating expenses | 109.88 | 131.74 | | | 131.74 | | |
| 4. Total profits (loss is marked with "-") | 1,485.28 | -405.41 | 102.78 | 572.39 | 269.76 | | 357.46 |
| Less: Income tax expenses | -7.42 | -31.31 | | | -31.31 | | |
| 5. Net profits (loss is marked with "-") | 1,492.70 | -374.10 | 102.78 | 572.39 | 301.07 | | 357.46 |
| Net profits attributable to the shareholders of parent companies | | | | | | | |
| Profits and loss of minority shareholders | | | | | | | |

The Jingcheng Compressor Profit Forecast has been prepared by the Directors cautiously based on information including the audited operating results of Jingcheng Compressor during the year ended 31 December 2011 and the seven months ended 31 July 2012, the unaudited realized amount of Jingcheng Compressor from August to September 2012, together with Jingcheng Compressor's plans in respect of production and operation, sales, investment and financing for the years ending 31 December 2012 and 2013.

The Jingcheng Compressor Profit Forecast was prepared on the assumption that Jingcheng Compressor has completed the disposal of its environmental protection business as at 1 January 2009. The accounting policies and accounting estimation methods adopted in preparing the Jingcheng Compressor Profit Forecast were in accordance with the laws and regulations currently in force in the PRC, and are consistent in all material respects with the accounting policies and accounting estimation methods actually adopted by Jingcheng Compressor in preparing the financial statements of Jingcheng Compressor for the year ended 31 December 2011 and the seven months ended 31 July 2012. The Jingcheng Compressor Profit Forecast is also prepared based on the following principal assumptions:

1. During the forecast period, there is no material change in the state laws, regulations, departmental rules and industrial policies complied by Jingcheng Compressor as well as the social, political, economic and environmental situation of the region where Jingcheng Compressor is located.
2. During the forecast period, there is no material change in the relevant accounting policy and accounting estimation of Jingcheng Compressor.
3. During the forecast period, there is no material change in the taxation policy and the relevant preferential taxation policy complied by Jingcheng Compressor.
4. During the forecast period, there is no material change in the industry that Jingcheng Compressor engages in.
5. During the forecast period, there is no material change in interest rate of bank loan and foreign exchange rate.
6. During the forecast period, there is no material change in the market of the products of Jingcheng Compressor, especially the domestic market demand of petrochemical, coal chemical, silicon chemical, nuclear power and gas and the relevant significant factors affecting the market demand of the above products. During the forecast period, there is no material change in the market, laws, regulations and industrial policies of Fusheng Jixie, an associated company of Jingcheng Compressor.
7. During the forecast period, there is no material change in the laws, regulations and industrial rules which affects the production and operation of Jingcheng Compressor.
8. During the forecast period, the operation plan, marketing plan, investment plan and financing plan of Jingcheng Compressor would not be unable to realize on schedule or experience a material change due to changes in external environment.

9. During the forecast period, the operating activities of Jingcheng Compressor would not experience a material adverse impact due to shortage of manpower or resources, lagging behind in technology or material change in cost.
10. During the forecast period, there is no material change in the corporate structure of Jingcheng Compressor.
11. During the forecast period, there is no other material asset transaction.
12. During the forecast period, there is no other force majeure and unexpected factors of Jingcheng Compressor that would materially affect Jincheng Compressor.
13. During the forecast period, there is no material change in the market share of the principal businesses of Jingcheng Compressor.
14. During the forecast period, Jingcheng Compressor can successfully develop and sell products in accordance with the contracts entered into and the operation plans and obtain confirmation from its customers.
15. During the forecast period, the selling prices of the existing products of Jingcheng Compressor would not be subject to the restrictions of the relevant authorities, there is no material change in sale price, there is no material change in materials supply market and there is no material change in the prices of materials.

Profit forecast of Jingcheng HK (Unit: RMB10,000)

Based on the bases and principal assumptions set out below and in the absence of unforeseen circumstances, the Directors prepared the Jingcheng HK Profit Forecast as follows:

| Items | 2012 | | | | | Forecast amount for 2013 |
|---|--------------------------------------|--|---|--|----------|-----------------------------|
| | Realized amount in 2011 (audited) | Realized amount from January to July (audited) | Realized amount from August to September (unaudited) | Forecast amount (October to December) | Total | |
| 1. Total operating income | | | | | | |
| Of which: Operating income | | | | | | |
| 2. Total operating cost | 4.13 | 8.47 | 0.82 | 1.08 | 10.37 | 11.50 |
| Of which: Operating cost | | | | | | |
| Business tax and surcharges | | | | | | |
| Sales expenses | | | | | | |
| Management costs | 4.11 | 8.22 | 0.80 | 1.00 | 10.02 | 11.00 |
| Financing costs | 0.02 | 0.25 | 0.02 | 0.08 | 0.35 | 0.50 |
| Asset impairment loss | | | | | | |
| Add: Gain from change in fair value (loss is marked with “-”) | | | | | | |
| Investment revenue (loss is marked with “-”) | 1,243.11 | 875.28 | 51.13 | 332.38 | 1,258.79 | 1,433.11 |
| 3. Operating profits (loss is marked with “-”) | 1,238.98 | 866.81 | 50.31 | 331.30 | 1,248.42 | 1,421.61 |
| Add: Non-operating revenue | | | | | | |
| Less: Non-operating expenses | | | | | | |
| 4. Total profits (loss is marked with “-”) | 1,238.98 | 866.81 | 50.31 | 331.30 | 1,248.42 | 1,421.61 |
| Less: Income tax expenses | | | | | | |
| 5. Net profits (loss is marked with “-”) | 1,238.98 | 866.81 | 50.31 | 331.30 | 1,248.42 | 1,421.61 |
| Net profits attributable to the shareholders of parent companies | | | | | | |
| Profits and loss of minority shareholders | | | | | | |

The Jingcheng HK Profit Forecast has been prepared by the Directors cautiously based on information including the audited operating results of Jingcheng HK during the year ended 31 December 2011 and the seven months ended 31 July 2012, unaudited realized amount of Jingcheng HK from August to September 2012, together with Jingcheng HK's plans in respect of operation and investment for the years ending 31 December 2012 and 2013.

The accounting policies and accounting estimation methods adopted in preparing the Jingcheng HK Profit Forecast were in accordance with the laws and regulations currently in force in the PRC, and are consistent in all material respects with the accounting policies and accounting estimation methods actually adopted by Jingcheng HK in preparing the financial statements of Jingcheng HK for the year ended 31 December 2011 and the seven months ended 31 July 2012. The Jingcheng HK Profit Forecast is also prepared based on the following principal assumptions:

1. During the forecast period, there is no material change in the state laws, regulations, departmental rules and industrial policies complied by Jingcheng HK or its associated company Tianhai Industrial, and its subsidiaries as well as the social, political, economic and environmental situation of the region where Jingcheng HK or Tianhai Industrial (and its subsidiaries) are located.
2. During the forecast period, there is no material change in the relevant accounting policy and accounting estimation of Jingcheng HK or Tianhai Industrial (and its subsidiaries).
3. During the forecast period, there is no material change in the taxation policy and the relevant preferential taxation policy complied by Jingcheng HK or Tianhai Industrial (and its subsidiaries).
4. During the forecast period, there is no material change in the industry that Jingcheng HK or Tianhai Industrial (and its subsidiaries) engages in.
5. During the forecast period, there is no material change in interest rate of bank loan and foreign exchange rate of Jiangcheng HK or Tianhai Industrial (and its subsidiaries).
6. During the forecast period, there is no material change in the market of the products of Tianhai industrial and its subsidiaries, especially the international and domestic market demand of industrial gas cylinders and the relevant significant factors affecting the market demand of industrial gas cylinders.
7. During the forecast period, there is no material change in the laws, regulations and industrial rules which affects the operations of Jingcheng HK or Tianhai Industrial (and its subsidiaries).
8. During the forecast period, the operation plan, investment plan and financing plan of Jingcheng HK or Tianhai Industrial (and its subsidiaries) would not be unable to realize on schedule or experience a material change due to changes in external environment.

9. Tianhai Industrial and its subsidiaries having maintained the relevant certificates held by them for the production of product and timely obtained such new certificates being applied for (such as the certificate for export to the United States of America); and there would not be any material adverse effect on the sales market as a result of non-compliance of requirements under the relevant certificates.
10. During the forecast period, the operating activities of Jingcheng HK would not experience a material reverse impact due to shortage of manpower or resources, lagging behind in technology or material change in cost.
11. During the forecast period, there is no material change in the structure of Jingcheng HK or Tianhai Industrial (and its subsidiaries).
12. During the forecast period, there is no other material asset transaction.
13. During the forecast period, there is no other force majeure and unexpected factors of Jingcheng HK that would materially affect Jingcheng HK on Tianhai Industrial (and its subsidiaries).
14. During the forecast period, there is no material change in the market share of the principal businesses of Tianhai Industrial and its subsidiaries.
15. Tianhai Industrial and its subsidiaries has established strategic cooperative relationships with companies in the oil industry, is able to enter into contracts with these companies according to negotiated intentions and is able to successfully develop and sell products in accordance with the signed contracts and operation plans.
16. During the forecast period, the selling price of the existing products of Tianhai Industrial and its subsidiaries would not be subject to the restrictions of the relevant authorities, there is no material change in materials supply market and there is no material fluctuation in the price of raw materials.

Profit forecast of the Reorganised Group (Unit: RMB10,000)

Based on the bases and principal assumptions set out below and in the absence of unforeseen circumstances, the Directors prepared the Reorganised Group Profit Forecast as follows:

| Items | 2012 | | | | | |
|---|--|---|--|--|------------|--------------------------------|
| | Realized amount in 2011 (audited) | Realized amount from January to July (audited) | Realized amount from August to September (unaudited) | Forecast amount (October to December) | Total | Forecast amount for 2013 |
| 1. Total operating income | 245,634.16 | 142,897.05 | 29,787.63 | 71,016.71 | 243,701.39 | 278,949.81 |
| Of which: Operating income | 245,634.16 | 142,897.05 | 29,787.63 | 71,016.71 | 243,701.39 | 278,949.81 |
| 2. Total operating cost | 240,239.05 | 139,702.11 | 29,731.99 | 69,445.53 | 238,879.63 | 273,349.57 |
| Of which: Operating cost | 209,340.78 | 121,486.38 | 24,795.94 | 60,352.79 | 206,635.11 | 235,924.15 |
| Business tax and surcharges | 277.67 | 216.74 | 93.85 | 124.50 | 435.09 | 589.50 |
| Sales expenses | 8,710.96 | 5,093.22 | 1,282.53 | 2,365.21 | 8,740.96 | 10,099.86 |
| Management costs | 19,189.05 | 10,971.72 | 3,191.19 | 5,344.07 | 19,506.98 | 22,600.03 |
| Financing costs | 2,668.58 | 1,644.62 | 368.48 | 974.64 | 2,987.74 | 3,476.03 |
| Asset impairment loss | 52.01 | 289.43 | | 284.32 | 573.75 | 660.00 |
| Add: Gain from change in fair value (loss is marked with "-") | | | | | | |
| Investment revenue (loss is marked with "-") | 1,754.27 | 849.34 | 303.24 | 517.67 | 1,670.25 | 1,700.00 |
| 3. Operating profits (loss is marked with "-") | 7,149.38 | 4,044.28 | 358.88 | 2,088.85 | 6,492.01 | 7,300.24 |
| Add: Non-operating revenue | 208.99 | 127.27 | 39.13 | | 166.40 | |
| Less: Non-operating expenses | 180.69 | 153.53 | 31.09 | | 184.62 | |
| 4. Total profits (loss is marked with "-") | 7,177.68 | 4,018.02 | 366.92 | 2,088.85 | 6,473.79 | 7,300.24 |
| Less: Income tax expenses | 981.48 | 825.52 | 169.35 | 260.92 | 1,255.79 | 1,340.13 |
| 5. Net profits (loss is marked with "-") | 6,196.20 | 3,192.50 | 197.57 | 1,827.93 | 5,218.00 | 5,960.11 |
| Net profits attributable to the shareholders of parent companies | 5,957.27 | 2,714.65 | 282.56 | 1,726.15 | 4,723.36 | 5,406.56 |
| Profits and loss of minority shareholders | 238.93 | 477.85 | -84.99 | 101.78 | 494.64 | 553.55 |

The Reorganised Group Profit Forecast has been prepared by the Directors cautiously based on information including the audited operating results of the Target Companies during the year ended 31 December 2011 and the seven months ended 31 July 2012, the unaudited realized amount of the Target Companies from August to September 2012, together with the plans of the Target Companies in respect of production and operation, sales, investment and financing for the years ending 31 December 2012 and 2013.

The Reorganised Group Profit Forecast is prepared on the assumption that the Reorganisation has been completed prior to 1 January 2011, the Company holds the Incoming Assets and does not hold the Outgoing Asset as at 1 January 2011 and there are no material changes during the period from 1 January 2011 to 31 December 2013.

The accounting policies and accounting estimation methods adopted in preparing the Reorganised Group Profit Forecast were in accordance with the laws and regulations currently in force in the PRC, and are consistent in all material respects with the accounting policies and accounting estimation methods actually adopted by the Target Companies in preparing the financial statements of the Target Companies for the year ended 31 December 2011 and the seven months ended 31 July 2012. The Reorganised Group Profit Forecast is also prepared based on the following principal assumptions:

1. During the forecast period, there is no material change in the state laws, regulations, departmental rules and industrial policies complied by the Reorganised Group as well as the social, political, economic and environmental situation of the country and region where the Reorganised Group is located.
2. During the forecast period, there is no material change in the relevant accounting policy and accounting estimation of the Reorganised Group.
3. During the forecast period, there is no material change in the taxation policy and the relevant preferential taxation policy complied by the Reorganised Group.
4. During the forecast period, there is no material change in the industry that the Reorganised Group is engaged in.
5. During the forecast period, there is no material change in interest rate of bank loan and foreign exchanged rate.
6. During the forecast period, there is no material change in the market of the products of the Reorganised Group, especially the international and domestic market demand of industrial gas cylinders, the domestic market demand of petrochemical, coal chemical, silicon chemical, nuclear power and the relevant significant factors affecting the aforesaid market demands.
7. During the forecast period, there is no material change in the laws, regulations and industrial rules which significantly affects the production and operation of the Reorganised Group.
8. During the forecast period, the operation plan, marketing plan, investment plan and financing plan of the Reorganised Group would not be unable to realize on schedule or experience a material change due to changes in external environment.

9. the Reorganised Group having maintained the relevant certificates held by them for the production of products and timely obtained such new certificates being applied for (such as the certificate for exports to the United States of America); and there would not be any material adverse effect on the sales market as a result of non-compliance of requirements under the relevant certificates.
10. During the forecast period, the operating activities of the Reorganised Group would not experience a material adverse impact due to shortage of manpower or resources, lagging behind of technology or material change in cost.
11. During the forecast period, there is no material change in the corporate structure of the Company or the Target Companies.
12. During the forecast period, there is no other material asset transaction.
13. During the forecast period, there is no other force majeure and unexpected factors of the Reorganised Group that would materially affect the Reorganised Group.
14. There is no material change in the market share of the principal business of the Reorganised Group.
15. The Reorganised Group has established strategic cooperative relationships with companies in the oil industry, is able to enter into contracts with these companies according to negotiated intentions and is able to successfully develop and sell products in accordance with the signed contracts and operation plans.
16. The selling price of the existing products of the Reorganised Group would not subject to limitation imposed by relevant authorities, there is no material change in materials supply market and there is no material fluctuation to the price of raw material.

The Board is satisfied that the Profit Forecasts, for which the Directors are solely responsible, have been made after due and careful enquiry. In the event that such forecasts are not met, or if any event occurs during the forecast period which would significantly affect any of the assumptions above, the Company will make further announcement to explain the reasons and/or its view of the likely impact of that event on the Profit Forecasts.

Letters from the Financial Advisers

The financial advisers of the Company, Grand Vinco Capital Limited (the “**Financial Advisers**”), have reviewed the Profit Forecasts and discussed with the Directors the bases and assumptions made by the Directors as set out above upon which the Profit Forecasts have been prepared. The Financial Advisers have also considered the letters from ShineWing Certified Public Accountants (“**ShineWing**”) referred to below regarding the accounting policies and the calculations upon which the Profit Forecasts have been made.

On the basis of the foregoing, the Financial Advisers are of the opinion that the Profit Forecasts, for which the Directors are solely responsible, have been made after due and careful enquiry. The letters from the Financial Advisers prepared in accordance with the requirements of the Listing Rules have been lodged with the Stock Exchange.

Letters from ShineWing

ShinewWing, Certified Public Accountants, the reporting accountants of the Company, has reviewed the calculations and accounting policies adopted in arriving at the Profit Forecasts and is of the opinion that, so far as the calculations and accounting policies are concerned, the Profit Forecasts have been properly complied in accordance with the bases and assumptions made by the Directors as set out above and is presented on a basis consistent in all material respects with the accounting policies adopted by the Group in preparing the audited financial statements of the Group for the seven months ended 31 July 2012 in accordance with CASBEs. The letters from ShineWing prepared in accordance with the requirements of the Listing Rules have been lodged with the Stock Exchange.

Each of ShineWing and the Financial Adviser has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its opinion and/or the references to its name included herein in the form and context in which they are respectively included. Each of ShineWing and the Financial Adviser has further confirmed that, as at the date of this announcement, it did not have any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of the Group, the Target Companies or their respective subsidiaries.

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY AND JINGCHENG HOLDING

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

Beiren Group is principally engaged in the manufacture and sales of printing presses, packing machines, pressing machines and related products and components, technical development, technical consultancy, services, operation of the import and export businesses related to the production of own enterprises, subcontracting work for overseas printing machinery projects and domestic projects by international tendering.

Jingcheng Holding is principally engaged in state-owned assets operation and management within the scope of authorization, operation of title (ownership), external financing and investment.

LISTING RULES IMPLICATIONS OF THE REORGANISATION

As (i) one or more of the applicable percentage ratios calculated pursuant to Chapter 14A of the Listing Rules in respect of the Disposal exceed 75%, (ii) Jingcheng Holding is interested in 47.78% interest in the Company and (iii) Beiren Group is a wholly-owned subsidiary of Jingcheng Holding, the Disposal constitutes a very substantial disposal and connected transaction of the Company. As (i) one or more of the applicable percentage ratios calculated pursuant to Chapter 14A of the Listing Rules in respect of the Acquisition exceed 100%, (ii) Jingcheng Holding is interested in 47.78% interest in the Company and (iii) Beiren Group is a wholly-owned subsidiary of Jingcheng Holding, the Acquisition constitutes a

very substantial acquisition and connected transaction of the Company. Accordingly, the Reorganisation, comprising the Disposal and the Acquisition, is subject to the reporting, announcement and independent shareholders' approval requirements of the Listing Rules. As at the Latest Practicable Date, Jingcheng Holding is interested in 201,620,000 A Shares, representing approximately 47.78% of the total issued Shares. Accordingly, Jingcheng Holding and its associates will abstain from voting on the relevant resolution(s) at the EGM.

Pursuant to the Listing Rules, the Independent Board Committee comprising all the independent non-executive Directors has been established by the Company to advise the Independent Shareholders on the terms of the Material Asset Reorganisation Agreement and the transactions contemplated thereunder.

(III) PROPOSED CHANGE OF NAME OF THE COMPANY

The Directors proposed to change the Chinese name of the Company from “北人印刷機械股份有限公司” to “北京京城機電股份有限公司” (provisional name only, the name specified in the relevant industrial and commercial registration shall prevail), and the English name of the Company from “Beiren Printing Machinery Holding Limited” to “Beijing Jingcheng Machinery Electric Company Limited” (the “**Change of Name**”).

Reasons for the Change of Name

Since Jingcheng Holding has already transferred its 47.78% interest in the Company held through Beiren Group to Jingcheng Holding at nil consideration so that Jingcheng Holding shall directly hold 47.78% interest in the Company, the Board believes that the Change of Name shall enable the Company to utilise Jingcheng Holdings' various strengths such as its brand name and markets more directly and conveniently, so as to improve the operations of the Company.

Conditions for the Change of Name

The Change of Name is subject to the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders at a general meeting of the Company approving the Change of Name; and
- (ii) the Material Asset Reorganisation Agreement becoming effective and the completion of the Reorganisation; and
- (iii) the grant of approval of the Beijing Municipality State Administration for Industry and Commerce and the relevant Change of Name registration being attended to.

The Change of Name shall become effective from the date when the new business licence bearing the new name of the Company is issued. Thereafter, the Company shall carry out all necessary filing procedures with the Companies Registry in Hong Kong.

A further announcement will be made upon the change of name has become effective.

Status of the existing certificates for securities of the Company

The proposed change of the name of the Company will not affect any of the rights of the Shareholders. All existing share certificates of the Company in issue bearing the existing name of the Company will continue to be evidence of title to the H shares of the Company and will continue to be valid for trading, settlement and registration purposes. Accordingly, there will not be any arrangement for free exchange of existing share certificates for new share certificates under the new name. Once the proposed change of the name of the Company becomes effective, any issue of share certificates thereafter will be in the new name of the Company.

(IV) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

To enhance the transparency of dividend distribution in cash so as to provide a steady expectation of return for the investors, and in combination with the actual situation of the Company pursuant to the requirement of the “Notice Regarding Further Improvement of Cash Dividends Distribution of Listed Companies” of Beijing Securities Regulatory Bureau, the Board has in the seventh meeting of the seventh session of the Board passed the “Resolution in relation to the amendment of the Articles of Association of the Company”. Such proposed amendments provide for, among other things, the basic principles of the profit distribution policy of the Company and the procedures for considering the profit distribution plan of the Company. The proposed amendments to the Articles of Association are subject to the approval of the Shareholders by way of special resolution at the EGM. Details of the proposed amendments shall be set out in the circular to be dispatched to the Shareholders.

CIRCULAR

A circular containing, inter alia, (i) further information in respect of the Material Asset Reorganisation Agreement and the transactions contemplated thereunder; (ii) further information in respect of the New Business and the Incoming Assets, (iii) the recommendation of the Independent Board Committee to the Independent Shareholders with respect to the Material Asset Reorganisation Agreement; (iv) the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders with respect to the Material Asset Reorganisation Agreement; (v) the proposed amendments to the Articles of Association of the Company; and (vi) the proposed change of name of the Company, is expected to be despatched to the Shareholders by 30 November 2012 as additional time is required for finalizing the contents of the Circular.

Full versions of each of the Profit Forecasts, the valuation reports and the audit reports in respect of the Incoming Assets and the Outgoing Assets will be appended to the Circular.

All material information in relation to the Reorganisation Report (draft) has been disclosed in this announcement. Investors can also refer to the Reorganisation Report (draft) (in Chinese only), which incorporated the Profit Forecasts, the valuation reports and the audit reports in respect of the Incoming Assets and the Outgoing Assets published on the website of the Shanghai Stock Exchange (www.sse.com.cn) by the Company on the same date of this announcement.

The Profit Forecasts were prepared based on the assumptions and estimations made by the Directors for illustrative purposes only and do not provide any assurance or indication that any event will take place in the future and may not give a true picture of the results of the Group for the two years ending 31 December 2012, 2013 and thereafter.

Grand Vinco Capital Limited, the Hong Kong financial adviser of the Company, has confirmed that nothing has come to their attention that causes them to believe the assumptions do not give reasonable bases for the Profit Forecasts and in their opinion, the Profit Forecasts have been properly compiled in accordance with the assumptions and presented in accordance with the basis of preparation stated therein.

As the Board has made no reference to the Profit Forecasts in determining the terms for the Reorganisation, the Shareholders and potential investors in H Shares should not rely on the information in the Profit Forecasts when they assess the merits and demerits of the Reorganisation.

Completion of the Material Asset Reorganisation Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein and therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

| | |
|----------------------|---|
| “A Share(s)” | domestic ordinary share(s) with a par value of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in RMB |
| “Acquisition” | the transfer by Jingcheng Holding of the Incoming Assets to the Company pursuant to the terms and conditions of the Material Asset Reorganisation Agreement |
| “Asset Based Method” | 資產基礎法, a valuation method in which the valuer shall start with the balance sheet of the subject company and take into account factors such as the acquisition cost, estimated life-span and depreciation of assets owned by the company and also the liabilities of the company to determine estimated valuation amount for the subject company |
| “associate” | has the meaning ascribed to it under the Listing Rules |
| “Beijing Beiying” | 北京北瀛鑄造有限責任公司 (Beijing Beiying Casting Co., Ltd.), a limited liability company established in the PRC which is owned as to 20% by the Company |
| “Beijing Monigraf” | 北京莫尼自控系統有限公司 (Beijing Monigraf Automations Co., Ltd.), a sino-foreign equity joint venture enterprise established in the PRC which is owned as to 49% by the Company |

| | |
|-------------------|---|
| “Beiren Fuji” | 北京北人富士印刷機械有限公司 (Beijing Beiren Fuji Printing Machinery Co., Ltd.), a limited liability company established in the PRC as more particularly set out under the section headed “Information on the Outgoing Assets” of this announcement |
| “Beiren Jingyan” | 北京北人京延印刷機械有限責任公司 (Beijing Beiren Jinyan Printing Machinery Co., Ltd.), a limited liability company established in the PRC as more particularly set out under the section headed “Information on the Outgoing Assets” of this announcement |
| “Beiren Group” | 北人集團公司 (Beiren Group Corporation), a company incorporated in the PRC and wholly-owned subsidiary of Jingcheng Holding |
| “Board” | the board of Directors |
| “BSCOMC” | Beijing State-owned Capital Operation &. Management Centre (北京市人民政府國有資產監督管理委員會) |
| “Business Day” | means a day on which licensed banks are generally opened for business in Hong Kong (excluding Saturdays) |
| “CASBE” | the China Accounting Standards for Business Enterprises |
| “Circular” | the circular to be issued by the Company giving further information about the Reorganisation and such other information as required under the Listing Rules or by the Stock Exchange |
| “Company” | 北人印刷機械股份有限公司 (Beiren Printing Machinery Holdings Limited), a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchanges |
| “Completion” | completion of the Reorganisation in accordance with the terms of the Material Asset Reorganisation Agreement |
| “Completion Date” | means the date when Completion shall take place, being the date as agreed between the parties to the Material Asset Reorganisation Agreement upon satisfaction of the conditions as more particularly described in the section headed “(I) The Material Asset Reorganisation Agreement – Conditions to Completion” of this announcement |

| | |
|---------------------------|---|
| “Completion Period” | means the period commencing from the Effective Date and ending on the Completion Date |
| “connected person” | has the meaning ascribed to it under the Listing Rules |
| “controlling shareholder” | has the meaning ascribed to it under the Listing Rules |
| “CSRC” | China Securities Regulatory Commission |
| “Directors” | the directors of the Company |
| “Disposal” | the transfer by the Company of the Outgoing Assets to Beiren Group on the instructions of Jingcheng Holding pursuant to the terms and conditions of the Material Asset Reorganisation Agreement |
| “Effective Date” | The effective date of the Material Asset Reorganisation Agreement upon the satisfaction of all the conditions as more particularly described in the section headed “(I) The Material Asset Reorganisation Agreement – Conditions for the Material Asset Reorganisation Agreement to become effective” of this announcement |
| “EGM” | the first extraordinary general meeting of 2012 of the Company to be convened for the purposes of approving the Reorganisation |
| “Group” | the Company and its subsidiaries |
| “H Shares” | overseas listed foreign share(s) with a par value of RMB1.00 each in the share capital of the Company which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Incoming Assets” | (i) 71.56% equity interests in Tianhai Industrial (or approximately 88.51% interest in Tianhai Industrial if the increase in paid-up capital of Tianhai Industrial is completed prior to the Completion), (ii) 100% interests in Jingcheng HK and (iii) 100% equity interests in Jingcheng Compressor (after disposal of its environmental protection business) |

| | |
|--|---|
| “Independent Board Committee” | the independent board committee comprising all the independent non-executive Directors, namely Mr. Zhang Shuangru, Ms. Wang Hui Mr. Xie Bingguang and Mr. Wang Deyu, which has been established by the Company to advise the Independent Shareholders on the Material Asset Reorganisation Agreement and the transactions contemplated thereunder |
| “Independent Shareholders” | Shareholders who are not required to abstain from voting at the general meeting to be convened for the purposes of approving the Reorganisation under the Listing Rules |
| “Jingcheng Compressor” | 北京京城壓縮機有限公司 (Beijing Jingcheng Compressor Co., Ltd. (formerly known as 北京京城環保產業發展有限責任公司 (Jingcheng Environmental Protection Development Co., Ltd.)), a company incorporated in the PRC as more particularly set out under the section headed “Information on the Incoming Assets” of this announcement |
| “Jingcheng Compressor Profit Forecast” | the profit forecast of Jingcheng Compressor for the years ending 31 December 2012 and 2013 as set out in the section headed “(II) Profit forecasts in respect of the Target Companies and the Reorganised Group – Profit forecast of Jingcheng Compressor” of this announcement |
| “Jingcheng HK” | Jingcheng Holding (Hong Kong) Company Limited, a company incorporated in Hong Kong as more particularly set out under the section headed “Information on the Incoming Assets” of this announcement |
| “Jingcheng HK Profit Forecast” | the profit forecast of Jingcheng HK for the years ending 31 December 2012 and 2013 as set out in the section headed “(II) Profit forecasts in respect of the Target Companies and the Reorganised Group – Profit forecast of Jingcheng HK” of this announcement |
| “Jingcheng Holding” | 北京京城機電控股有限責任公司 (Jingcheng Holding Machinery Electric Holding Co., Ltd.), a company incorporated in the PRC and holding approximately 47.78% interest in the Company |
| “Listing Committee” | the listing sub-committee of the directors of the Stock Exchange elected or appointed in accordance with the articles of association of the Stock Exchange |

| | |
|---|---|
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Material Asset Reorganisation Agreement” | the Material Asset Reorganisation Agreement dated 2 November 2012 between the Company, Jingcheng Holding and Beiren Group setting out terms and conditions of the Reorganisation |
| “Mitsubishi Beiren” | 北京三菱重工北人印刷機械有限公司 (Beijing Mitsubishi Heavy Industries Beiren Printing Machinery Co., Ltd.), a sino-foreign equity joint venture enterprise established in the PRC which is owned as to 49% by the Company |
| “New Business” | the research and development, manufacture and sale of compressed gas cylinders, air compressor and related equipment after the Completion |
| “Outgoing Assets” | all the assets and liabilities owned by the Company as at the date of this announcement, as more particular described in the section headed “Information on the Outgoing Assets” of this announcement |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan |
| “Profit Forecasts” | the Tianhai Industrial Profit Forecast, the Jingcheng Compressor Profit Forecast, the Jingcheng HK Profit Forecast and the Reorganised Group Profit Forecast |
| “Reorganisation” | the Acquisition and the Disposal |
| “Reorganisation Framework Agreement” | the reorganisation framework agreement dated 5 July 2012 between the Company and Jingcheng Holding setting out the framework of the Reorganisation |
| “Reorganisation Report” | the report prepared by the Company setting out the final terms and details of the Reorganisation, which is subject to review and approval by the CSRC |
| “Reorganised Group” | the Company and its subsidiaries after the Completion |

| | |
|--------------------------------------|--|
| “Reorganised Group Profit Forecast” | the profit forecast of the Reorganised Group for the years ending 31 December 2012 and 2013 as set out in the section headed “(II) Profit forecasts in respect of the Target Companies and the Reorganised Group – Profit forecast of the Reorganised Group” of this announcement |
| “Sale Subsidiaries” | Shaanxi Beiren, Beiren Fuji and Beiren Jingyan, all of which are non-wholly owned subsidiaries of the Company as at the date of this announcement |
| “Shaanxi Beiren” | 陝西北人印刷機械有限責任公司 (Shaanxi Beiren Printing Machinery Co., Ltd.), a limited liability company established in the PRC as more particularly set out under the section headed “Information on the Outgoing Assets” of this announcement |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Share(s)” | ordinary share(s) of RMB 1.00 each in the share capital of the Company, including A share(s) and H share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Companies” | Jingcheng HK, Jingcheng Compressor and Tianhai Industrial |
| “Tianhai Industrial” | 北京天海工業有限公司, a limited liability company established in the PRC and a wholly-owned subsidiary of Jingcheng Holding as at the date of this announcement as more particularly set out under the section headed “Information on the Incoming Assets” of this announcement |
| “Tianhai Industrial Profit Forecast” | the profit forecast of Tianhai Industrial for the years ending 31 December 2012 and 2013 as set out in the section headed “(II) Profit forecasts in respect of the Target Companies and the Reorganised Group – Consolidated profit forecast of Tianhai Industrial” of this announcement |
| “Transition Period” | means the period commencing from 31 March 2012 and ending on the Completion Date |

| | |
|----------|--|
| “Valuer” | 國友大正資產評估有限公司 (China Faith Appraisers Co., Ltd.), an independent valuer engaged by the Company to prepare the valuation reports in respect of the Incoming Assets and the Outgoing Assets |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “%” | per cent |

On behalf of the Board of
Beiren Printing Machinery Holdings Limited
Jiao Rui Fang
Company Secretary

Beijing, the PRC 2 November 2012

As at the date of this announcement, the Board of the Company 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.

English names of the PRC established companies/entities in this announcement are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.