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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Beiren Printing Machinery Holdings Limited**, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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**北人印刷機械股份有限公司**

**BEIREN PRINTING MACHINERY HOLDINGS LIMITED**

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

**(Stock Code: 0187)**

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF PROPERTY**

**(2) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION,  
THE RULES OF PROCEDURE OF THE GENERAL MEETING OF  
SHAREHOLDERS, THE RULES OF PROCEDURE FOR  
THE BOARD AND THE RULES OF PROCEDURE FOR  
THE SUPERVISORY COMMITTEE**

**(3) PROPOSED APPOINTMENT OF DIRECTORS AND SUPERVISORS  
AND NOTICE OF EXTRAORDINARY GENERAL MEETING AND  
SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and the  
Independent Shareholders**



**光大證券**  
EBS INTERNATIONAL

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A letter from the Board is set out on pages 4 to 20 of this circular and a letter from the Independent Board Committee is set out on page 21 of this circular. A letter from Everbright Capital, the independent containing its advice to the Independent Board Committee is set out on pages 22 to 28 of this circular.

21 November 2013

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“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
“Agreement”	北京市存量房屋買賣合同 (Beijing Second-hand Standard Property Sale and Purchase Agreement) dated 31 October 2013 entered into between Tianhai Industrial as vendor and Asset Management Company as purchaser for the sale and purchase of the Property
“Articles of Association”	the articles of association of the Company as amended from time to time
“Asset Management Company” or “Purchaser”	北京京城機電資產管理有限責任公司 (Beijing Jingcheng Electric Management Co., Ltd.), a company incorporated in the PRC and is 100% owned by Jingcheng Holding
“associate”	has the meaning ascribed to it under the Listing Rules
“Beijing SASAC”	State-owned Asset Supervision and Administration Commission of People’s Government of Beijing Municipality
“Board”	the board of directors of the Company
“Company”	北人印刷機械股份有限公司 (Beiren Printing Machinery Holdings Limited), a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange
“Completion”	completion of the Disposal
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB105,779,500, being the cash consideration for sale and purchase of the Property pursuant to the Agreement
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“Disposal”	the disposal of the Property subject to and upon the terms and conditions of the Agreement
“EGM”	the extraordinary general meeting of the Company to be convened on 16 December 2013 (Monday) at 9:30 a.m. at Conference Room 6206, No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing, the PRC
“Group”	the Company and its subsidiaries
“H Shares”	the overseas foreign listed shares of nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Stock Exchange subscribed for and traded in Hong Kong dollars
“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 Agreement and the transactions contemplated thereunder
“Independent Financial Advisor” or “Everbright Capital”	China Everbright Capital Limited, being a corporation licensed to Type 1 (dealing in securities), Type 4 (advising on Securities) and Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Disposal
“Independent Property Valuer” or “Jones Lang LaSalle”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM to be convened for the purposes of approving the Disposal under the Listing Rules
“Jingcheng Holding”	北京京城機電控股有限責任公司 (Beijing Jingcheng Machinery Electric Holding Co., Ltd.), a company incorporated in the PRC and holding 47.78% interest in the Company
“Latest Practicable Date”	19 November 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purposes of this circular
“Property”	No. 25, West Huaweili, Chaoyang District, Beijing, the PRC
“Reorganisation”	the very substantial acquisition, very substantial disposal and connected transactions in relation to the material asset reorganisation of the Company as announced in the circular of the Company dated 3 December 2012
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“share(s)”	share(s) of the Company, including A Shares and H Shares, unless otherwise specified
“sq.m.”	square metre
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Tianhai Industrial” or “Vendor”	北京天海工業有限公司 (Beijing Tianhai Industry Co., Ltd.), a limited liability company established in the PRC and is 100% owned by the Company
“Valuation Date”	31 August 2013
“%”	per cent.

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## LETTER FROM THE BOARD

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**北人印刷機械股份有限公司**

**BEIREN PRINTING MACHINERY HOLDINGS LIMITED**

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

**(Stock Code: 0187)**

*Executive directors:*

Mr. Zhang Peiwu  
Mr. Chen Bangshe  
Ms. Jiang Chi

*Non-executive directors:*

Mr. Teng Mingzhi  
Ms. Wu Dongbo  
Mr. Li Shenggao  
Ms. Wei Li

*Independent non-executive directors:*

Mr. Zhang Shuangru  
Ms. Wang Hui  
Mr. Xie Bingguang  
Mr. Wang Deyu

*Registered office:*

6 Rongchangdong Street  
Economic and Technological  
Development Zone  
Beijing  
PRC

21 November 2013

*To the Shareholders*

Dear Sir or Madam,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF PROPERTY**

**(2) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION,  
THE RULES OF PROCEDURE OF THE GENERAL MEETING OF  
SHAREHOLDERS, THE RULES OF PROCEDURE FOR  
THE BOARD AND THE RULES OF PROCEDURE FOR  
THE SUPERVISORY COMMITTEE**

**(3) PROPOSED APPOINTMENT OF DIRECTORS AND SUPERVISORS  
AND NOTICE OF EXTRAORDINARY GENERAL MEETING AND  
SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the Disposal, proposed amendments to the Articles of Association, proposed amendments to the rules of procedure of the general meeting of the Shareholders, proposed amendments to the rules of procedure for the Board, proposed amendments to the the rules of procedure for the

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## LETTER FROM THE BOARD

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Supervisory Committee, proposed appointment of Directors and Supervisors, proposed remuneration for Directors and Supervisors and seek your approval of the special/ordinary resolutions relating to these matters at the EGM.

### 2. THE DISPOSAL

Reference is made to the announcement of the Company dated 31 October 2013, the Board announced that the Agreement was entered into between Tianhai Industrial, a wholly owned subsidiary of the Company with Asset Management Company, for the disposal of the Property for a cash consideration of RMB105,779,500.

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 Agreement and the transactions contemplated thereunder. Everbright Capital has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders regarding the Disposal.

This circular will provide you, inter alia, (i) the recommendation of the Independent Board Committee to the Independent Shareholders with respect to the Disposal; (ii) the advice from Everbright Capital to the Independent Board Committee and the Independent Shareholders with respect to the Disposal; (iii) the Valuation Report.

### THE AGREEMENT

**Date** : 31 October 2013

#### Parties

**Vendor** : Tianhai Industrial, a wholly-owned subsidiary of the Company

**Purchaser** : Asset Management Company, a wholly-owned subsidiary of Jingcheng Holding and Jingcheng Holding is the controlling shareholder of the Company holding approximately 47.78% interest in the Company. Thus, Asset Management Company is a connected person of the Company

#### The Property:

No. 25, West Huaweili, Chaoyang District, Beijing, PRC, which is for staff dormitory use with a total gross floor area of appropriately 4,520.49 sq.m. and a land use right area of 1,402.78 sq.m.. The Property has obtained all property ownership certificate and land certificate. The property ownership certificate number is Jing Fang Quan Zheng Chao She Wai 06 Zi No. 00164 (京房權證朝涉外06字第00164號) and the area stated in the certificate is 4,520.49 sq.m.. The land certificate number is Jing Chao Guo Yong (2006 Chu) No.0127 (京朝國用(2006出)第0127號) and the area stated in the certificate is 1,402.78 sq.m..

The Property is not subject to mortgage, pledge and any other rights restrictions and there is no existing and potential material litigation, arbitration or judicial enforcement and other significant disputes associated with the Property.

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## LETTER FROM THE BOARD

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The Property was acquired by Tianhai Industrial in August 2005 at a cost of RMB24,698,981.55. Since the acquisition of the Property in August 2005, the Property has been used by the Tianhai Industrial as staff dormitory purpose. The net book value of the Property amounted to approximately RMB16,192,652.30 as at 31 March 2013.

In accordance with the generally accepted accounting principles in the PRC, the profits before and after taxation of the Property for the financial years ended 31 December 2011 and 2012 were as follows:

	<b>For the year ended 31 December 2011 RMB</b>	<b>For the year ended 31 December 2012 RMB</b>
Profits before taxation	0	523,500
Profits after taxation	0	523,500

The profits for the year ended 31 December 2012 were the rental income received for the period from July to December 2012.

**Consideration:**

RMB105,779,500

According to a valuation done by an independent professional valuer, China Faith Appraisers Co., Ltd., based on the market comparison method, the value of the Property as at 31 March 2013 was RMB105,779,500.

The Consideration was determined after arm's length negotiations between the Vendor and Purchaser on normal commercial terms based on the abovementioned valuation results. As disclosed in the valuation report prepared by the Independent Property Valuer based on the market value of the Property, the value of the Property as at 31 August 2013 was RMB103,970,000.

**Price and payment term:**

The Consideration shall be payable in cash by Asset Management Company to Tianhai Industrial in the following manner:

- (i) a deposit of RMB52,899,750, representing 50% of the Consideration, will be paid to Tianhai Industrial on the next day after the execution of Agreement; and
- (ii) the remaining balance of RMB52,899,750 will be paid to Tianhai Industrial within two days after the property ownership certificate (房產證) and land certificate (土地證) in respect of the Property has been obtained and delivered to Asset Management Company.



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## LETTER FROM THE BOARD

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### **Delivery of the Property:**

The completion of the Agreement will be conditional upon satisfaction of the following conditions:

- (i) the approval by the Stock Exchange of the despatch of circular in relation to the Disposal; and
- (ii) the approval of the Disposal and other related matters in a general meeting of the Company.

The Property is scheduled to be delivered to Asset Management Company upon the full settlement of the Consideration.

### **REASONS FOR AND BENEFITS OF THE DISPOSAL**

It is proposed to dispose the staff dormitory which is used for providing nearby accommodation to the gas storage and transportation equipment business-related technicians of Tianhai Industrial, the wholly-owned subsidiary of the Company.

According to the development plan of Tianhai Industrial, the main production and research and development base of its business will gradually move to west production base in the central area of Huo County, Tongzhou District, Beijing the PRC which is relatively far away from the location of the Property, it is estimated most of the residents will gradually move out from the Property within about 3 years (30% in the first year, 30% in the second year, 40% in the third year). First, the vacancies of the Property will substantially increase and second, the Group considers that it is not necessary to continue to own the Property as the real estate market in Beijing is now red hot.

After the Disposal of Property is completed and before the construction of production base in Huo County is completed, the Company has current intention to rent the Property from Asset Management Company as staff dormitory, the Company will comply with the relevant requirements under the Listing Rules (if required). The residents will gradually move out from the Property as the construction of the production base in Huo County is completed.

The Disposal is unrelated to the business operations of Tianhai Industrial and will not affect the daily business and production activities of Tianhai Industrial.

Based on the above reasons, the Board considers that it is a good opportunity for the Group to dispose the Property, which is its non-core assets, and to reduce the number of low efficiency assets of the Group. Hence, the main business of the Group will be further emphasized and the return on assets of the Group will be improved.

The Directors, including the independent non-executive Directors of the Company, consider that the Disposal is on normal commercial terms which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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## LETTER FROM THE BOARD

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None of the Directors had material interest in respect of the Agreement. However, in view of good corporate governance practices, Mr. Zhang Peiwu, Mr. Teng Mingzhi, Ms. Wu Dongbo, Mr. Li Shenggao and Ms. Wei Li, being directors nominated by the Jingcheng Holding, had all abstained from voting in the relevant Board resolutions approving the Agreement.

### FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

It is estimated that, upon Completion, the Group will record a gain on disposal of approximately RMB64,000,000. Such gain is estimated based on the consideration receivable from the Disposal, i.e. RMB105,779,500, less the net book value of the Property of approximately RMB16,192,652.30 as at 31 March 2013 and the estimated taxes of approximately RMB25,040,000. The actual gain that the Group is able to realise will depend on the confirmation of related taxes by the relevant tax authorities in the PRC.

The Board intends to use the net proceeds arising from the Disposal as general working capital of the Group.

### GENERAL

The Company is principally engaged in research and development, manufacture and sale of compressed gas cylinders, gas compressors and related equipment.

Asset Management Company is principally engaged in asset management, property management, investment management, investment, lease of property, provision of public car park services, technology development, technical training, technical services, economic information consulting, design, production, agency and placing of advertisements, provision of conference service, exhibition service and office service, design and maintenance of machinery and equipment and sales of machinery and equipment, computer, household goods, hardware, construction materials, handicrafts and auto parts.

Authorised scope of operation of Tianhai Industrial: production of gas cylinders, accumulator shells, pressure vessels and auxiliary equipments, add-on components, fire extinguishers, fire extinguishing system products and components, gas cylinders for medical equipment, gas cylinders for life rescues, gas cylinders and components for food machineries, gas and wrapped cylinders and components for gas vehicles, gas storage special containers, bundled devices, cryogenic gas cylinders and components, LPG cylinders and components, aluminum cores, cylinders and components, new enhanced complex materials (complex materials such as carbon fibre, organic fibre and high strength glass fibre) and products, complex gas cylinders (natural gas storage cylinders for vehicles, gas storage cylinders for respirators, containers for water treatment), testing equipment for complex gas cylinders, production of compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading); general logistics (validity of Road Transport Licenses until 7 May 2016).

General scope of operation: providing installation, adjustment, maintenance, technical consultancy and services of self-production products; sales of self-production products; wholesale of cryogenic containers for storage and transportation; providing after-sales

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## LETTER FROM THE BOARD

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service and maintenance; design and sale of compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; sale of machinery equipment and electrical equipment; equipment maintenance; technical consultancy and technical services; import and export of commodities and technology and acting as import and export agency; professional contractor.

Jingcheng Holding is an enterprise in the equipment manufacturing industry. Its main business segments include digitally-controlled machine tool segment, gas storage and transportation segment, printing machinery segment, environmental protection business segment, engineering machinery segment, thermal power generation segment, new energy segment, switch business segment, wire and cable segment, electrical and mechanical business segment, logistics business segment and lease financing business.

### **LISTING RULES IMPLICATIONS**

As the relevant percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. In addition, Asset Management Company is a wholly-owned subsidiary of Jingcheng Holding and Jingcheng Holding is the controlling shareholder of the Company holding approximately 47.78% interest in the Company, Asset Management Company is a connected person of the Company under Chapter 14A of the Listing Rules. The Disposal also constitutes a connected transaction of the Company which is subject to the reporting, annual review, announcement and the independent shareholders' approval requirements under Chapter 14A 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 to be convened for the purpose of approving the Disposal.

### **3. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURE OF THE GENERAL MEETING OF SHAREHOLDERS, THE RULES OF PROCEDURE FOR THE BOARD AND THE RULES OF PROCEDURE FOR THE SUPERVISORY COMMITTEE**

In view of the completion of the Reorganisation, special resolutions will be proposed at the EGM for the Shareholders to approve the amendments to the Articles of Association, amendments to the rules of procedure of the general meeting of Shareholders, amendments to the rules of procedure for the Board and amendments to the rules of procedure for the Supervisory Committee.

The relevant proposed amendments to the Articles of Association, the rules of procedure of the general meeting of Shareholders, the rules of procedure for the Board and the rules of procedure for the Supervisory Committee are subject to the approval of the Shareholders by way of special resolutions at the EGM and the approval and permission of the relevant PRC government authorities (if necessary) and will become effective after registration with the relevant authorities in the PRC.

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## LETTER FROM THE BOARD

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### **Proposed Amendments to the Articles of Association**

Set out below are the details of the amendments to the Articles of Association:

**a. Original text of Article 1:**

Article 1 Beiren Printing Machinery Holdings Limited (hereafter “the Company”) was established prior to the implementation of the Company Law of the People’s Republic of China (“the Company Law”) in accordance with relevant laws and regulations of the state and the Guideline Opinions for Joint Stock Liability Company promulgated by the State Commission for Restructuring the Economic System, and continues to exist upon the entry into force of the Company Law, and has been restructured pursuant to the Company Law and the State Council’s Special Regulations Regarding the Issue and Listing of Shares Overseas by Joint Stock Liability Companies (the “Special Regulations”) and satisfied the conditions specified by the Company Law.

The Company was established by the promoter on 12 July 1993 with the approval of the State Commission for Restructuring the Economic System (Ti Gai Sheng (1993) No.117), and registered in Beijing Administration of Industry and Commerce on 13 July 1993, and obtained the Business License for Legal Person, and the license number is: 110000005015956.

Beiren Group Corporation is the promoter of the Company.

**is now amended as:**

Article 1 Beijing Jingcheng Machinery Electric Company Limited (hereafter “the Company”) was established prior to the implementation of the Company Law of the People’s Republic of China (“the Company Law”) in accordance with relevant laws and regulations of the state and the Guideline Opinions for Joint Stock Liability Company promulgated by the State Commission for Restructuring the Economic System, and continues to exist upon the entry into force of the Company Law, and has been restructured pursuant to the Company Law and the State Council’s Special Regulations Regarding the Issue and Listing of Shares Overseas by Joint Stock Liability Companies (the “Special Regulations”) and satisfied the conditions specified by the Company Law.

The Company was established by the promoter on 12 July 1993 with the approval of the State Commission for Restructuring the Economic System (Ti Gai Sheng (1993) No.117), and registered in Beijing Administration of Industry and Commerce on 13 July 1993, and obtained the Business License for Legal Person, and the license number is: 110000005015956.

Beiren Group Corporation is the promoter of the Company.

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## LETTER FROM THE BOARD

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**b. Original text of Article 4:**

Article 4 The Company's registered Chinese name: 北人印刷機械股份有限公司

English name: Beiren Printing Machinery Holdings Limited

**is now amended as:**

Article 4 The Company's registered Chinese name: 北京京城機電股份有限公司

English name: Beijing Jingcheng Machinery Electric Company Limited

**c. Original text of Article 5:**

Article 5 The Company's address: No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing, the PRC, postal code: 100176, telephone number: 67886677

**is now amended as:**

Article 5 The Company's address: Rm 901, Jingcheng Holding Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing, the PRC postal code: 100022, telephone number: 010-87707356

**d. Original text of Article 13:**

Article 13 Objectives: the Company shall lawfully conduct the business, utilize the funds in a proper and effective manner, introduce the advanced and scientific management, keep seeking for the technical progress, use the latest market and technical information to duly adjust the operation strategy, pay attention to economic lot size and scale of economy, engage in printing machines and related industries, explore domestic and international market with excellent products, superior service and advanced technology, to be world-class company, and to ensure the greatest extent proper economic returns to the shareholders lawfully.

**is now amended as:**

Article 13 Objectives: the Company shall lawfully conduct the business, utilize the funds in a proper and effective manner, introduce the advanced and scientific management, keep seeking for the technical progress, use the latest market and technical information to duly adjust the operation strategy, pay attention to economic lot size and scale of economy, engage in gas storage and transportation equipments and related industries, explore domestic and

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## LETTER FROM THE BOARD

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international market with excellent products, superior service and advanced technology, to be world-class company, and to ensure the greatest extent proper economic returns to the shareholders lawfully.

**e. Original text of Article 14:**

Article 14 Authorised scope of operation: production of printing machines, press equipment, packing machines and parts and components for the aforesaid machines; general logistics.

General scope of operation: development, design and sales, maintenance and installation of printing machines, press equipment, packing machines and parts of the aforesaid machines and equipments; technical consultancy, technical service, technical training with respect to printing equipments and technologies; management of the export of own enterprises' and member enterprises' self-produced products and technology; the import of auxiliary materials, instruments and meters, parts and components of machine tools and technologies required for own enterprises' and member enterprises' production (apart from those restricted by the State from import and export); processing on customer-supplied materials and "processing raw materials on clients' demands, assembling parts for clients and processing according to clients' samples or compensation trade"; the rental of office space, machineries and equipments; sales of printing machines.

The Company shall file application with registration authority based on the scope of operation set out in this article. The scope of business of the Company shall be consistent with and subject to that approved by the authority responsible for the registration of the Company.

The Company is allowed to set up branches, subsidiaries, jointly controlled enterprises and offices overseas based on the scope of operation set out in this article upon gaining approval in accordance with the approval procedures.

**is now amended as:**

Article 14 Authorised scope of operation: production of gas cylinders, accumulator shells, pressure vessels and auxiliary equipments, add-on components, fire extinguishers, fire extinguishing products and components, gas cylinders for medical use, gas cylinders for life rescues, gas cylinders and components for food machineries, gas and wrapped cylinders and components for gas vehicles, gas storage special containers, bundled devices, cryogenic gas cylinders and components, LPG cylinders and components, aluminum cores, cylinders and components, new enhanced complex materials (carbon fiber, organic fibre and high strength glass fibre) and products, complex gas cylinders (auto natural gas storage cylinders, gas storage cylinders for respirators, containers for water treatment), testing equipment for complex gas cylinders, production of

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## LETTER FROM THE BOARD

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compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading); general logistics (validity of Road Transport Licenses until 7 May 2016).

General scope of operation: providing installation, adjustment, maintenance, technical consultancy and services of self-production product; sales of self-production product; wholesale of cryogenic containers; after-sales service and maintenance, design and sale of compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; sale of machinery equipment and electrical equipment; equipment maintenance; technical advisory and technical services; import and export of commodities and acting as import and export agency; professional contractor.

The Company shall file application with registration authority based on the scope of operation set out in this article. The scope of business of the Company shall be consistent with and subject to that approved by the authority responsible for the registration of the Company.

The Company is allowed to set up branches, subsidiaries, jointly controlled enterprises and offices overseas based on the scope of operation set out in this article upon gaining approval in accordance with the approval procedures.

**f. Original text of Article 72:**

Article 72 The place for holding general meetings is: No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing, China.

The general meeting shall have a meeting place for convening the onsite meetings.

**is now amended as:**

Article 72 The place for holding general meetings is: Jingcheng Holding Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing, the PRC

The general meeting shall have a meeting place for convening the onsite meetings.

**g. Original text of Article 267:**

Article 267 The Company designates Shanghai Securities News as the newspaper for information disclosure, and <http://www.sse.com.cn> and <http://www.hkexnews.hk> as the websites for information disclosure.

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## LETTER FROM THE BOARD

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**is now amended as:**

Article 267 The Company discloses information on press designated by the China Securities Regulatory Commission, and <http://www.sse.com.cn> and <http://www.hkexnews.hk> as the websites for information disclosure.

**h. Original text of Article 270:**

Article 270 In these Articles of Association, the following expressions shall have the following meanings unless the context otherwise requires:

“the Articles of Association”, “the Company’s Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company
“Chairman of the board”, “chairman of the board of the Company”	Chairman of the board of directors of the Company
“Director(s)”	Director(s) of the Company
“Ordinary shares”	Any domestic-invested shares or overseas-listed foreign-invested shares listed in Hong Kong
“Residence or legal address of the Company”	No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing, the PRC
“Renminbi”	Legal currency of the PRC
“Secretary of the board”	the secretary appointed by the board of directors of the Company
“China” or “the State”	People’s Republic of China

In these Articles of Association, accountancy firm shall have the same meaning as “auditor”.

**is now amended as:**

Article 270 In these Articles of Association, the following expressions shall have the following meanings unless the context otherwise requires:



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## LETTER FROM THE BOARD

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“the Articles of Association”, “the Company’s Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company
“Chairman of the board”, “chairman of the board of the Company”	Chairman of the board of directors of the Company
“Director(s)”	Director(s) of the Company
“Ordinary shares”	Any domestic-invested shares or overseas-listed foreign-invested shares listed in Hong Kong
“Residence or legal address of the Company”	Rm 901, Jingcheng Holding Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing, the PRC
“Renminbi”	Legal currency of the PRC
“Secretary of the board”	the secretary appointed by the board of directors of the Company
“China” or “the State”	People’s Republic of China

In these Articles of Association, accountancy firm shall have the same meaning as “auditor”.

The above amendments to the Articles of Association of the Company were passed at the twelfth meeting of the seventh board of directors held on 31 October 2013. The amendments of the content approved by State Administration for Industry and Commerce shall prevail.

### **Proposed amendment of Rules of Procedure of the General Meeting of Shareholders**

“Beiren Printing Machinery Holdings Limited” in the original Procedural Rules of the Meetings of the Supervisory Committee be changed to “Beijing Jingcheng Machinery Electric Company Limited”.

#### **Original text of Article 20:**

Article 20 The Company shall hold General Meetings at No. 6 Rongchang East Street, Beijing Economic-Technological Development Area.

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## LETTER FROM THE BOARD

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A General Meeting shall be held at a meeting place in the form of on-the-spot meeting. The Company may enable shareholders to have access to the General Meeting by using safe, economic and convenient network or any other means. The shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as having attended the meeting.

A shareholder may attend a General Meeting in person and exercise his voting right, or may entrust other person to attend the meeting and exercise the voting right to the extent of the authorization given.

**is now amended as:**

Article 20 The Company shall hold General Meetings at Jingcheng Holding Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing, the PRC.

A General Meeting shall be held at a meeting place in the form of on-the-spot meeting. The Company may enable shareholders to have access to the General Meeting by using safe, economic and convenient network or any other means. The shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as having attended the meeting.

A shareholder may attend a General Meeting in person and exercise his voting right, or may entrust other person to attend the meeting and exercise the voting right to the extent of the authorization given.

**Proposed amendment of Rules of Procedure for the Board of Directors**

The original name of the Company is “Beiren Printing Machinery Holdings Limited”, now amended as “Beijing Jingcheng Machinery Electric Company Limited”.

**Proposed amendment of Rules of Procedure for the Supervisory Committee**

The original name of the Company is “Beiren Printing Machinery Holdings Limited”, now amended as “Beijing Jingcheng Machinery Electric Company Limited”.

#### **4. PROPOSED APPOINTMENT OF DIRECTORS AND SUPERVISORS**

The Board and Supervisory Committee have proposed the appointment of five Directors, two Supervisors representing the Shareholders and have nominated Mr. Wang Pingsheng, Mr. Hu Chuanzhong, Mr. Wu Yanzhang and Mr. Li Junjie as the candidates for election as executive Directors, Mr. Jiang Zili as the candidate for election as a non-executive Director, Ms. Liu Zhe and Mr. Han Bingkui as candidates for election as Supervisor representing the Shareholders. There will be another candidate proposed for democratic election as the Supervisor representing the staff and workers at a separate meeting held by the staff and workers of the Company.

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## LETTER FROM THE BOARD

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The proposed term of directorship of Mr. Jiang Zili, Mr. Wang Pingsheng, Mr. Hu Chuanzhong, Mr. Wu Yanzhang and Mr. Li Junjie will be from the date of approval at the EGM to the 2013 annual general meeting of the Company (the “2013 AGM”).

The Company will enter into a service contract with Mr. Jiang Zili, the proposed non-executive Director. He is entitled to an annual fee not exceeding RMB40,000. The Company will enter into service contracts with Mr. Wang Pingsheng, Mr. Hu Chuanzhong, Mr. Wu Yanzhang and Mr. Li Junjie, the proposed executive Directors. They will be entitled to a basic salary with a range of RMB150,000 to RMB250,000 in the first year. The basic salary for the second and third year will be adjusted in accordance with the performance of the Company. It will not exceed 120% of the basic salary of the previous year of tenure and will not be less than 90% of basic salary of the first year of tenure. Year-end bonus will be determined at the sole discretion of the Board.

The term of office of Ms. Liu Zhe and Mr. Han Bingkui will be from the date of approval at the EGM to the 2013 AGM. The Company will enter into service contracts with Ms. Liu Zhe and Mr. Han Bingkui. Ms. Liu Zhe and Mr. Han Bingkui is entitled to an annual fee of not exceeding RMB40,000 depending on his/her performance.

According to the Articles of Association, the appointment of Directors and Supervisors is subject to the approval of the Shareholders. Accordingly, the Board has resolved to submit the proposal as an ordinary resolution at the EGM to approve the appointment of Mr. Wang Pingsheng, Mr. Hu Chuanzhong, Mr. Wu Yanzhang and Mr. Li Junjie as executive Directors, Mr. Jiang Zili as a non-executive Director, Ms. Liu Zhe and Mr. Han Bingkui as Supervisors and their respective remuneration packages.

- (1) Jiang Zili, Chinese, male, aged 45. He obtained a Ph.D. and is a professor level senior engineer. Mr. Jiang served as the director of Environmental Protection Institute, Beijing Research Institute of Mechanical and Electrical Technology; vice-president and the president of Beijing Research Institute of Mechanical and Electrical Technology; party committee, director and general manager of Beijing Machinery and Electricity Institute CO., LTD.; chairman of Beiren Machine Tool Works Co., LTD.; chairman of Zhejiang Jingcheng Renewable Resources Co., Ltd.; and chairman of Hohhot Solid Waste Disposal and Treatment Co., Ltd. (呼和浩特固廢處置有限公司). In 2009, Mr. Jiang received on-job training in Taizhou government in Zhejiang province as the Deputy Secretary – General. He is currently the deputy general manager of Jingcheng Holding. Mr. Jiang has rich experiences in capital operation and management of business operations.
- (2) Wang Pingsheng, Chinese, male, aged 64. He obtained a bachelor’s degree and is a senior engineer. Mr. Wang worked at Beijing Metal Structures Factory (北京金屬結構廠) as a technician and the deputy director of the workshop. He served as the deputy factory director and factory director of the Beijing High Pressure Gas Cylinders Factory (北京高壓氣瓶廠) (“Beijing High Pressure”). He was also the general manager of Tianhai Industrial. He is currently the chairman of Tianhai Industrial and Beijing Jingcheng Compressor Co., Ltd. (“Jingcheng Compressor”).

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## LETTER FROM THE BOARD

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- (3) Hu Chuanzhong, Chinese, male, aged 44. He obtained a bachelor degree in mechanical engineering from Tsinghua University and an EMBA from the University of Texas at Arlington, US. He is a senior engineer. Mr. Wu was a technician, assistant engineer, deputy director, director, vice president of engineering, deputy manager of technical quality department, and deputy general manager of Tianhai Industrial. He was also the chairman of Tianjin Tianhai High Pressure Containers Co., Ltd. (“Tianjin Tianhai”). He is currently the general manager, director and party secretary of Tianhai Industrial as well as the director of Tianjin Tianhai and Langfang Tianhai High Pressure Containers Co., Ltd..
- (4) Wu Yanzhang, Chinese, male, aged 49. He obtained a bachelor’s degree in Machinery Manufacturing Management at Hefei University of Technology and EMBA at China Europe International Business School. Mr. Wu served as the dispatcher of the production department, the deputy department head, assistant to factory head and the director of office of Beijing No. 1 Machine Tool Plant (北京第一機床廠), the Sino General Manager of OKUMA-BYJC (Beijing) Machine Tool Co. Ltd (北一大隈公司), the director of Communications Office, the director of office, the head of Legal Department, the head of Non-financial Corporate Management Department and the head of Asset Management Department of Jingcheng Holding. He is currently the director and the general manager of Jingcheng Compressor.
- (5) Li Junjie, Chinese, male, aged 35. He obtained a bachelor degree in industrial economics from Taiyuan Heavy Machinery Institute and an EMBA degree from Guanghua School of Management of Peking University. He was an accountant of finance department, salesman of marketing department and deputy manager of human resources department in Tianhai Industrial. He is currently the deputy party secretary and deputy general manager of Tianhai Industrial.

Save as disclosed above, Mr. Jiang Zili, Mr. Wang Pingsheng, Mr. Hu Chuanzhong, Mr. Wu Yanzhang and Mr. Li Junjie do not have any relationship with any Directors, Supervisors and senior management of the Company. Mr. Jiang Zili is the deputy general manager of Jingcheng Holding, the controlling shareholder of the Company. Mr. Wang Pingsheng, Mr. Hu Chuanzhong, Mr. Wu Yanzhang and Mr. Li Junjie do not have any relationship with substantial shareholders or controlling shareholder of the Company. Mr. Jiang Zili, Mr. Wang Pingsheng, Mr. Hu Chuanzhong, Mr. Wu Yanzhang and Mr. Li Junjie do not have any interest in the shares of the Company within the meaning of Part XV of the SFO and did not hold any directorship in listed public companies in Hong Kong or overseas for the last three years. Save as disclosed above, in respect of Mr. Jiang Zili, Mr. Wang Pingsheng, Mr. Hu Chuanzhong, Mr. Wu Yanzhang and Mr. Li Junjie, there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor other matters that need to be brought to the attention of the Shareholders.

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## LETTER FROM THE BOARD

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The biographical details of the proposed Supervisors including Ms. Liu Zhe and Mr. Han Bingkui are as follows:

1. Liu Zhe, Chinese, female, aged 35, is a lecturer with a bachelor's degree in engineering. Ms. Liu was a teacher, group leader of teaching and research, Youth League secretary, secretary of student party branch of Light Industry Branch of Beijing Industry and Trade Technicians College, Youth League secretary and director of publicity department of the party/company of Jingcheng Holding. Currently, she is deputy party secretary, secretary of discipline inspection commission and chairman of labour union of Tianhai Industrial.
2. Han Bingkui, Chinese, male, aged 58, graduate of economics and management and is a senior accountant. Mr. Han was chief of finance division and accountant of Beijing High Pressure, deputy head of finance department of Tianhai Industrial, and director, chief accountant and deputy head of finance department of Tianhai Industrial. Currently, he is director, chief financial officer and department head of finance department of Tianhai Industrial.

There will be another Supervisor representing the staff and workers elected at a separate meeting held by the staff and workers of the Company in accordance with statutory procedures.

Save as disclosed above, Ms. Liu Zhe and Mr. Han Bingkui do not have any relationship with any Directors, Supervisors, senior management, substantial or controlling shareholder of the Company, they do not have any interest in shares of the Company within the meaning of Part XV of the SFO and did not hold any directorship in other listed companies for the last three years. Save as disclosed above, in respect of Ms. Liu Zhe and Mr. Han Bingkui, there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor other matters that need to be brought to the attention of the Shareholders.

As of the Latest Practicable Date, according to the register maintained pursuant to Section 352 of the SFO, all of the proposed Supervisors do not have any interest or short positions in the shares, underlying shares and debentures of the Company.

### RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee dated 21 November 2013 set out on page 21 of this circular which contains the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Agreement; and (ii) the letter from Everbright Capital dated 21 November 2013 as set out on pages 22 to 28 of this circular which contains the recommendation from Everbright Capital to the Independent Board Committee and the Independent Shareholders in relation to the Agreement and the principal factors and reasons considered by Everbright Capital in arriving at its recommendation.

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## LETTER FROM THE BOARD

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The Directors (including members of the Independent Board Committee after taking into account the factors and reasons considered by, and the opinion of Everbright Capital as stated in its letter), consider that the Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms and is in the interests of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Agreement and transactions contemplated thereunder. The Directors also consider that the proposed the amendments to the Articles of Association, the rules of procedure of the general meeting of Shareholders, the rules of procedure for the Board and the rules of procedure for the Supervisory Committee and the appointment of Directors and Supervisors are in the interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve such amendments and appointment.

### THE EGM

A notice and supplemental notice convening the EGM to be held at 16 December 2013 (Monday) at 9:30 a.m. are set out on pages 39 to 49 of this circular and have been dispatched on 31 October 2013 and 7 November 2013, respectively. Whether or not you are able to attend the EGM, you are requested to complete and return the revised form of proxy which has been despatched on 7 November 2013 in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. The revised form of proxy should be returned to the registered address of the Company at No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing not less than 24 hours before the time appointed for the commencement of the EGM or any adjournment thereof. Completion and return of the said revised form of proxy will not prevent you from attending and voting in person at the EGM or at any adjournment thereof if you so wish.

Reply slip for the EGM has been despatched on 31 October 2013. You have been reminded to complete and sign the reply slip and return the signed slip to the Company at its registered address at No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing, the PRC on or before 26 November 2013 in accordance with the instructions printed thereon.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices I to II to this circular.

Your faithfully,  
By order of the Board  
**BEIREN PRINTING MACHINERY HOLDINGS LIMITED**  
**Jiao Rui Fang**  
*Company Secretary*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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**北人印刷機械股份有限公司**

**BEIREN PRINTING MACHINERY HOLDINGS LIMITED**

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

**(Stock Code: 0187)**

21 November 2013

*To the Independent Shareholders*

Dear Sir or Madam,

### **DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF PROPERTY**

We refer to the circular of the Company to the Shareholders dated 21 November 2013 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, terms used in this letter will have the same meanings as given to them in the section headed “Definitions” of the Circular.

We have been established by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of Agreement are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Everbright Capital has been appointed as the independent financial adviser to advise use and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from Everbright Capital as set out on pages 22 to 28 of the Circular and the letter from the Board as set out on pages 4 to 20 of the Circular.

Having considered the terms of the Agreement and taken into account the advice of Everbright Capital as stated in its letter, we consider that the Agreement and the transactions contemplated are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of all the resolutions to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

Yours faithfully,

**The Independent Board Committee**

**Zhang Shuangru**

*Independent non-executive Director*

**Xie Bingguang**

*Independent non-executive Director*

**Wang Hui**

*Independent non-executive Director*

**Wang Deyu**

*Independent non-executive Director*



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## LETTER FROM INDEPENDENT FINANCIAL ADVISER

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*The following is the text of the “Letter from the Independent Financial Adviser” to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular.*



21 November 2013

*To the Independent Board Committee and the Independent Shareholders of  
Beiren Printing Machinery Holdings Limited*

Dear Sirs,

### **DISCLOSEABLE AND CONNECTED TRANSACTION: DISPOSAL OF PROPERTY**

#### **INTRODUCTION**

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Beijing Second-hand Standard Property Sale and Purchase Agreement (the “**Agreement**”). The Board announced on 31 October 2013 that Tianhai Industrial (the “**Vendor**”), a wholly-owned subsidiary of the Company, entered into the Agreement with Asset Management Company (the “**Purchaser**”) for the disposal of a Property at a cash consideration of RMB105,779,500 (the “**Disposal**”). Details of which are set out in the letter from the Board (“**Letter from the Board**”) contained in the circular to the Shareholders dated 21 November 2013 (“**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

As at the Latest Practicable Date, the Purchaser is a wholly-owned subsidiary of Jingcheng Holding and Jincheng Holding is the controlling shareholder of the Company holding approximately 47.78% interest in the Company. Therefore, the Purchaser is a connected person to the Company under the Listing Rules. Accordingly, the Disposal will constitute connected transaction of the Company under Chapter 14A of the Listing Rules, which is subject to reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Zhang Shuangru, Ms. Wang Hui and Mr. Xie Bingguang and Mr. Wang Deyu, has been established to consider the terms of the Agreement and the transaction contemplated thereunder, and to advise the Independent Shareholders as to whether the terms of the Agreement and the transaction contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned, and whether they are in the interests of the Company and the Shareholders as a whole. We, China Everbright Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.



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## LETTER FROM INDEPENDENT FINANCIAL ADVISER

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Apart from normal professional fees for our services to the Company in connection with the engagement described above, no arrangement exists whereby we will receive any fees and benefits from the Group, Jincheng Holding or any of their respective associates. We are independent from and not connected with the Group, Jincheng Holding or any of their respective substantial shareholders, directors or chief executives, or any of their respective associates pursuant to Rule 13.84 of the Listing Rules, and are accordingly qualified to give independent advice to the Independent Director and the Independent Shareholders regarding the Disposal.

### **BASIS OF OUR OPINION**

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management (“**Management**”) of the Company and have assumed that such information, facts and opinions are true and accurate. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. However, we have not conducted any independent investigation into the business, operations or financial condition of the Group. We have assumed that all statements and representations made or referred to in the Circular were accurate at the time when they were made and are true at the date of the Circular.

We consider we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation.

### **PRINCIPAL FACTORS AND REASONS TAKEN INTO ACCOUNT**

In formulating our recommendations, we have taken into consideration the principal factors and reasons as set out below. In reaching our conclusion, we have considered the results of the analysis in light of each other and ultimately reached our opinion based on the results of all analysis taken as a whole.

#### **1. Background and Reasons of the Disposal**

Since 31 October 2013, the Group and the Company are principally engaged in the research and development, manufacture and sale of compressed gas cylinders, gas compressors and related equipment. Prior to that, the Group was engaged in the developing, designing, manufacturing and selling a variety of printing press and related spare parts, as well as the technique consultation and services related to the then operating business. According to the Group’s 2013 interim report for the six months ended 30 June 2013, over 90% of the Group’s revenues and profits were generated from domestic manufacture and sale of the presses. The Property was acquired by the Group via Tianhai Industrial in August 2005 at a cost of RMB24,698,982. Since the acquisition, the Property has been primarily used by the Group as staff dormitory purpose.

As set out in the Letter from the Board, the Property comprises (i) the property located at No.25, West Huaweili, Chaoyang District, Beijing, PRC, which is used for staff dormitory purpose with a total gross floor area of approximately 4,520.49 sq.m. and (ii) a land use

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## LETTER FROM INDEPENDENT FINANCIAL ADVISER

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right area of approximately 1,402.78 sq.m.. All property ownership certificate and land certificate have been obtained. The net book value of the Property as at the date of the Agreement was approximately RMB16,192,652 as at 31 March 2013.

According to the development plan of the Vendor, the main production and research development base of its business will gradually move to its west production base located in the central area of Huo County, Tongzhou District, Beijing, which is approximately 40km away from the location of the Property. Therefore, it will no longer be an appropriate location for the purpose of staff dormitory. It is estimated that most of the residents, being staff of the Group, will eventually move out from the Property within about 3 years (30% in the first year, 30% in the second year and 40% in the third year). As a result, having considered that (i) the vacancies of the Property will substantially increase and (ii) the real estate market in Beijing is now red hot, the Group considers that it is not necessary for the Group to continue to own the Property. As set out in the Letter from the Board, the Disposal was conducted on normal commercial terms which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

According to the data published by Bureau of Statistics of China, the growth of property price in Beijing was 16.7% when comparing first half of 2012 against that of 2013. Meanwhile, the growth of property price for the top 70 cities in the PRC was only 6.5% for the same period. Given the recent buoyancy in the property market in Beijing, the Directors consider that now is a good opportunity to dispose of the Property, which is unrelated to the business operations of the Vendor and will not affect the daily business and production activities of the Vendor, in order to capitalise on such favourable market conditions and realise capital gain on a non-core business asset.

In addition, the Disposal of the Property will enable the Company to reduce the number of low efficiency assets. It is estimated that, upon Completion, the Group will record a gain on disposal of approximately RMB64,000,000. Such gain is estimated based on the consideration receivable from the Disposal, i.e. RMB105,779,500, less the net book value of the Property of approximately RMB16,192,652 as at 31 March 2013 and the estimated taxes of approximately RMB25,040,000. The actual gain that the Group is able to realise will depend on the confirmation of related taxes by the relevant tax authorities in the PRC. The net proceeds from the Disposal will be used to enhance the main business of the Group with an aim to improve the return on assets of the Group.

Having considered that (i) the Property is no longer suitable to be used for the purpose of staff dormitory; (ii) the Disposal will enable the Group to realise capital gain on a non-core business asset which have positive impact on the financial position and the returns on assets of the Group as mentioned above, we concur with the Director's view that the Disposal was entered into in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM INDEPENDENT FINANCIAL ADVISER

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### 2. Major Terms of the Agreement and the Basis of Consideration

Set out below are the major terms of the Agreement:

Date:	31 October 2013
Parties:	Tianhai Industrial, a wholly-owned subsidiary of the Company, as vendor  Asset Management Company, as purchaser
Subject matter:	Sale and purchase of the Property
Consideration:	RMB105,779,500
Payment:	The Consideration shall be payable in cash by the Purchaser to the Vendor in the following manner:  (i) a deposit of RMB52,899,750, representing 50% of the Consideration, will be paid to the Vendor on the next day after the execution of the Agreement; and  (ii) the remaining balance of RMB52,899,750 will be paid to the Vendor within two days after the property ownership certificate (房產證) and land certificate (土地證) in respect of the Property has been obtained and delivered to Asset Management Company.

Pursuant to the Agreement, the Consideration was approximately RMB105,779,500. As noted from the Letter from the Board, the price was determined after the consideration of (i) a valuation of the Property as at 31 March 2013 conducted by an independent professional valuer, China Faith Appraisers Co., Ltd. (“**China Faith**”), based on the market comparison method (the “**Valuation Report**”); and (ii) arm’s length negotiations between the Vendor and the Purchaser on normal commercial terms. For the purpose of the Listing Rules, Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**Jones Lang LaSalle**”), an independent professional property valuer, has been commissioned to produce an update valuation on the Property as at 31 August 2013 (the “**Update Valuation Report**”) on a market value basis, the text of which is set out in the section headed “Property Valuation Report” in Appendix I to the Circular.

In assessing the fairness and reasonableness of the Consideration, we have reviewed and taken into account of (i) the Agreement; (ii) the Valuation Report; and (iii) the Update Valuation Report. We have noted from the Agreement that the final consideration was the appraised capital value of the Property as at 31 March 2013 (the “**Valuation Date**”) stated on the Valuation Report.

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## LETTER FROM INDEPENDENT FINANCIAL ADVISER

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We have reviewed the Valuation Report and understand that market comparison approach was adopted in the assessment of the value of the Property by China Faith. As stated in the Valuation Report, the valuation was conducted on a combined basis of both (i) the property located at No.25, West Huaweili, Chaoyang District, Beijing, PRC and (ii) the land use rights included in the Property. By adopting the market comparison method, China Faith has made reference to comparable sales transactions available near the Valuation Date in the relevant market with appropriate adjustments and analyses to be applied. We have also discussed with China Faith and understand that the comparable properties used in the valuation of the Property are of similar nature, location and area which have been analyzed and carefully selected in order to arrive at a fair comparison of capital values. We also understand from China Faith that the market comparison method adopted, including its underlying assumptions, is commonly used for arriving at the market value of properties similar to the Property. Based on our review of the Valuation Report and our discussion with China Faith, we consider that the approach, together with the underlying assumptions, adopted by China Faith is appropriate.

We have reviewed the Update Valuation Report compiled by Jones Lang LaSalle and compared it with the Valuation Report compiled by China Faith, noting similar market comparison approach was adopted assuming the sale of the property in its existing state by making reference to comparable sales transactions as available in the relevant market with appropriate adjustments to be applied. We have also discussed with Jones Lang LaSalle and understand that the market comparison approach adopted is commonly used for arriving at the market value of properties similar to the Property. The total capital value as at 31 August 2013 on the Update Valuation Report is RMB103,970,000, which was in line with the valuation of the Valuation Report, representing merely 1.7% decrease from RMB105,779,500 capital value on the Valuation Report. Based on our review of the Update Valuation Report and our discussion with Jones Lang LaSalle, we consider that the approach, together with the underlying assumptions, adopted by Jones Lang LaSalle is appropriate.

Furthermore, in respect of the valuation conducted by China Faith and Jones Lang LaSalle, we have performed the steps as required under Note 1(d) to Rule 13.80 of the Listing Rules in relation to expert opinions, including (i) obtaining from China Faith and Jones Lang LaSalle the names, qualifications and experience of staff members who are involved in this engagement, and noting that the team of China Faith consists of members who are registered members of China Appraisal Society (中國資產評估師協會) while the team of Jones Lang LaSalle consists of members who are subject to discipline of The Royal Institution of Chartered Surveyors and/or The Hong Kong Institute of Surveyors and with prior experience in valuing properties in the PRC; (ii) obtaining confirmation from China Faith and Jones Lang LaSalle that, save for this engagement, there is no prior or current relationship between China Faith and Jones Lang LaSalle and the Company, the Purchaser and their respective connected persons; (iii) obtaining confirmation from China Faith and Jones Lang LaSalle that, save for the relevant title documents in relation to the Property which were provided by the Company, neither the Company nor the Purchaser has made any other formal or informal representations to China Faith and Jones Lang LaSalle.

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## LETTER FROM INDEPENDENT FINANCIAL ADVISER

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Given that (i) the market comparison approach as adopted by China Faith in the Valuation Report is a commonly adopted approach for property valuation; (ii) the consideration is equivalent to the appraised capital value stated on the Valuation Report compiled by China Faith, an independent property valuer; and (iii) the valuation of both the Valuation Report and the Update Valuation Report are comparable with a negligible 1.7% difference; we are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### 3. Financial impact of the Disposal

#### *(i) Earnings*

As stated in the Letter from the Board in the Circular, the Directors estimated that, upon Completion, the Group will record a gain on disposal of approximately RMB64,000,000. Such gain is estimated based on the consideration receivable from the Disposal i.e. RMB105,779,500, less the net book value of the Property of approximately RMB16,192,652 as at 31 March 2013 and other related costs and expenses.

#### *(ii) Gearing ratio*

As at 30 June 2013, the Group has high gearing ratio of approximately 54.0%, which is calculated by dividing the total debt by total equity of the Group as at 30 June 2013, as a result of the significant short-term loan balance of RMB314,968,904. It is expected that the net gain from the Disposal will enable to the Group to improve its gearing ratio.

#### *(iii) Returns on assets*

Since the Property is a non-core asset of the Group, the Disposal of the Property will enable the Company to reduce the number of low efficiency assets. Upon the Completion, it is expected that the return on assets will improve as a result of the reduction of low-efficiency assets.

#### *(iv) Working capital*

Pursuant to the Agreement, the Consideration will be satisfied by cash in full before delivery of the Property. As stated in the “Letter from the Board” in the Circular, the net proceeds from the Disposal in the amount of approximately RMB105,779,500 will be used as general working capital of the Group. Therefore, the working capital position of the Group is expected to improve upon Completion.

It should be noted that the aforesaid figures are subject to final audit, and the aforesaid analyses and calculations are for illustrative purposes only and does not purport to represent how the financial position of the Group will be upon completion.

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## LETTER FROM INDEPENDENT FINANCIAL ADVISER

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Taking into account of the improvement in earnings, gearing ratio, return on assets and the working capital of the Group upon completion of the Disposal, we consider that the Disposal is in the interests of the Company and the Shareholders as a whole.

### RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the terms of transaction contemplated under the Agreement is on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution(s) to approve the transaction contemplated under the Agreement at the EGM.

Yours faithfully,  
For and on behalf of  
**China Everbright Capital Limited**  
**Alvin Kam**  
*Director*

*The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer and consultant, in connection with its valuation as at 31 August 2013 of the property interest to be disposed by the Group.*



JONES LANG  
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Jones Lang LaSalle Corporate Appraisal and Advisory Limited  
6/F Three Pacific Place 1 Queen's Road East Hong Kong  
tel +852 2846 5000 fax +852 2169 6001  
Licence No: C-030171

21 November 2013

The Board of Directors  
**Beiren Printing Machinery Holdings Limited**  
No. 6 Rongchangdongjie  
Beijing Economic – Technological Development Area,  
Beijing  
The People's Republic of China

Dear Sirs,

Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**Jones Lang LaSalle**” or “**we**”) is instructed by Beiren Printing Machinery Holdings Limited (the “**Company**”) to provide valuation service for a property located at No. 25 Huaweixili, Chaoyang District, Beijing, the People's Republic of China (the “**PRC**”) held by Beijing Tianhai Industry Co., Ltd. (the “**Vendor**”, a 100% owned subsidiary of Beiren Printing Machinery Holdings Limited) for disclosure purpose. We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the capital value of the property interest as at 31 August 2013 (the “**valuation date**”).

Our valuation was carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We have valued the property interest by the comparison method assuming sale of the property in its exiting state by making reference to comparable sales transactions as available in the relevant market and the existing tenancies are taken into account in arriving at the valuation. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the subject property.



Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and Vendor, and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of a Building Ownership Certificate and a State-owned Land Use Rights Certificate relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers – Kang Da Law Firm, concerning the validity of the property interest in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.



The site inspection was carried out on 31 October 2013 by Mr. Aaron Lin, who has obtained a bachelor degree from Nanjing University of Finance and Economics with major subjects including real estate development and has 2 years' experience in the valuation of properties in the PRC.

We have no reason to doubt the truth and accuracy of the information provided to us by the Company and the Vendor. We have also sought confirmation from the Company and the Vendor that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

All monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached.

Yours faithfully, for and on behalf of  
**Jones Lang LaSalle Corporate Appraisal and Advisory Limited**  
**Eddie T. W. Yiu**  
*MRICS MHKIS RPS (GP)*  
*Director*

*Note:* Eddie T. W. Yiu is a Chartered Surveyor who has 19 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

## VALUATION CERTIFICATE

## Property interest held for occupation by the Vendor in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2013 RMB
Tianhai Apartment No. 25 Huaweixili Chaoyang District Beijing The PRC	<p>The property is a 5-storey (plus 1-storey basement) apartment building which was completed in 2005.</p> <p>The property has a total gross floor area of approximately 4,520.49 sq.m.</p> <p>The site area of the property is approximately 1,402.78 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 7 February 2046 for commercial use.</p>	<p>The property is currently held for occupation by the Vendor as staff quarters, except for the basement and Levels 1 to 2 of the property with a total gross floor area of approximately 2,259.15 sq.m. which are currently leased to a tenant for guesthouse use. (Refer to note 4)</p>	103,970,000

## Notes:

1. The locality of Huaweixili Community is well-served by good facilities and convenient transportation means. There are many bus routes to various districts. The subject property is located off the west side of Huawei Road and is close to East 3rd Ring Road. The walking time to the Panjiayuan Station of subway line 10 is about 10 minutes. It is about 4 kilometers from the Central Business District of Beijing, about 5.3 kilometers from the Beijing Railway Station and about 29 kilometers from the Beijing Capital International Airport.
2. Pursuant to a Building Ownership Certificate – Jing Fang Quan Zheng Chao She Wai 06 Zi Di No. 00164, the property with a total gross floor area of approximately 4,520.49 sq.m. is owned by the Vendor.
3. Pursuant to a State-owned Land Use Rights Certificate – Jing Chao Guo Yong (2006 Chu) Di No. 0127, the land use rights of the property with a site area of approximately 1,402.78 sq.m. have been granted to the Vendor for a term expiring on 7 February 2046 for commercial use.
4. Pursuant to a Tenancy Agreement dated 3 August 2012, the basement and Levels 1 to 2 of the property with a total gross floor area of approximately 2,259.15 sq.m. were leased to a tenant for a term expiring on 30 June 2021 for guesthouse. The annual rental (exclusive of water, electricity, television subscription and waste disposal charges) is set out as below:

Term	Annual Rental (RMB)
from 1 July 2012 to 30 June 2013	1,047,000
from 1 July 2013 to 30 June 2014	1,076,000
from 1 July 2014 to 30 June 2015	1,104,000
from 1 July 2015 to 30 June 2016	1,134,000
from 1 July 2016 to 30 June 2021	1,162,000

5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
- a. the Vendor has legally obtained the building ownership and the land use rights of the property;
  - b. the Vendor has obtained the declaration issued by the tenant to give up the priority to purchase the property and there are no legal impediment or restriction for the Vendor to transfer the subject land and building;
  - c. the actual use of the property does not violate laws and regulations;
  - d. the Tenancy Agreement is legal and valid; and
  - e. the property is not subject to mortgage and judicial seizure.

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**2. DISCLOSURE OF DIRECTORS' INTERESTS**

As at the Latest Practicable Date, so far as was known to the Directors, none of the Directors, Supervisors and chief executive of the Company or their respective associates had any interest or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

**3. DISCLOSURE OF SUBSTANTIAL SHAREHOLDERS' INTERESTS**

As at the Latest Practicable Date, according to the Shareholders' register and related application documents received by the Company, so far as the Directors, Supervisors and senior management of the Company are aware, each of the following persons, not being a Director, Supervisor or senior management of the Company, had an interest in the Shares which is required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in ten percent, or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

**Interests in the Company**

Name of shareholder	Type of interest	Class	Number of Shares in class (Approximate percentage shareholding in class)	Approximate percentage of shareholding in the entire share capital of the Company (A Shares and H Shares)
Jingcheng Holding	Beneficial owner	A Shares	201,620,000 (62.61%)	47.78%

## APPENDIX II

## GENERAL INFORMATION

Name of shareholder	Type of interest	Class	Number of Shares in class (Approximate percentage shareholding in class)	Approximate percentage of shareholding in the entire share capital of the Company (A Shares and H Shares)
Pictet & CIE	Beneficial owner	H Shares	5,978,000 (5.98%)	1.42%
788 China Fund Ltd.	Beneficial owner	H Shares	5,124,000 (5.12%)	1.21%

### Interests in other members of the Group

Name of the member of the Group	Name of person	Approximate percentage of interest
America Fortune Company	鄭國祥 (Zheng Guoxiang)	24.50%
	郭志紅 (Guo Zhihong)	24.50%
上海天海德坤復合氣瓶有限公司 (Shanghai Tianhai Gas Cylinder Co., Ltd.)	吳壽宗 (Wu Shouzong)	12.16%
天津天海高壓容器有限責任公司 (Tianjin Tianhai High Pressure Containers Co., Ltd.)	天津大無縫投資有限公司 (Tianjin Dawufeng Investment Co., Ltd.)	45.00%
北京天海低溫設備有限公司 (Beijing Tianhai Cryogenic Equipment Co., Ltd.)	北京科瑞尼克科貿有限公司 (Beijing Kerui Nike Science Trading Co., Ltd.)	25.00%
廊坊天海高壓容器有限公司 (Langfang Tianhai High Pressure Cylinder Co., Ltd.)	吳壽宗 (Wu Shouzong)	30.00%
北京天海西港環境技術有限公司 (Beijing Tianhai Xigang Environmental Technique Co., Ltd.)	加拿大西港能源公司 (Canada Xigang Energy Co, Ltd.)	50.00%
北京復盛機械有限公司 (Beijing Fusheng Machine Co., Ltd.)	香港廣盛股份有限公司 (Hong Kong Guangsheng Holdings Co., Ltd.)	70.00%

Save as disclosed above and so far as the Directors, Supervisors and senior management of the Company are aware, as at Latest Practicable Date, no substantial shareholder of the Company or other person held any interest or short position in the Shares or underlying Shares (as the case may be) which are required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 Part XV of the SFO, or who is, directly or indirectly, interested in ten percent, or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

#### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors or proposed Directors had any existing or proposed service contracts with the Company which does not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

#### **5. DIRECTORS' INTERESTS IN ASSETS**

As at the Latest Practicable Date, none of the Directors or proposed Directors had any direct or indirect interest in any asset which had been, since 31 December 2012, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to the Company or were proposed to be acquired or disposed of by or leased to the any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which was significant in relation to the business of the Company.

#### **6. COMPETING INTERESTS**

As at the Latest Practicable Date, so far as the Directors and the proposed Directors were aware, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete with the business of the Group.

**7. EXPERTS' QUALIFICATION AND CONSENTS**

The following is the qualification of the experts who have given their opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualification</b>
Everbright Capital	a corporation licensed to Type 1(dealing in securities), Type 4 (advising on Securities) and Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Disposal
Jones Lang LaSalle	an independent professional property valuer

The letters and recommendations given by Everbright Capital and Jones Lang LaSalle are given as at the date of this circular for incorporation herein. Each of Everbright Capital and Jones Lang LaSalle has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter/statements and reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of Everbright Capital and Jones Lang LaSalle was not materially interested in any shares in any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of Everbright Capital and Jones Lang LaSalle did not have any direct or indirect interest in any asset which had been or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2012, being the date to which the latest published audited financial statements of the Company were made up.

**8. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012, the date to which the latest published audited consolidated financial statements of the Company were made up.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the offices of Messrs. Woo, Kwan, Lee & Lo at 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong during normal business hours within 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the Agreement;

- (c) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 21 of this circular;
- (d) the letter of advice from Everbright Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 22 to 28 of this circular;
- (e) the valuation report issued by Jones Lang LaSalle on the Property as set out in Appendix I to this circular;
- (f) the written consents of Everbright Capital and Jones Lang LaSalle referred to in the paragraph headed “Experts’ Qualification and Consents” in this appendix;
- (g) this circular.



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## NOTICE OF EGM

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*The following corresponds to the notice of EGM which was published and dispatched to the Shareholders on 31 October 2013.*



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

**(Stock Code: 0187)**

### **NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2013**

The board of Beiren Printing Machinery Holdings Limited (the “**Company**”) has decided to convene the first extraordinary general meeting (“**EGM**”) in 2013. At the EGM, resolutions on the change of directors and supervisors of the Company and amendments to the Articles of Association of the Company, etc. will be considered and voted on site. The relevant matters of the notice are set out as follows:

#### **I. BASIC INFORMATION OF THE EGM:**

- (1) Convenor of the meeting: the board of the Company
- (2) Mode of the meeting: Voting on site
- (3) Time of the meeting: 16 December 2013 (Monday) at 9:30 a.m.
- (4) Place of the meeting: Conference Room of the Company, Room 6206, No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing
- (5) Share record date: 15 November 2013 (Friday)

#### **II. MATTERS FOR CONSIDERATION AT THE MEETING:**

Ordinary resolutions:

1. To consider and approve the resolutions on the change of certain directors of the Company:
  - (1) To consider and approve Mr. Jiang Zili as the non-executive director of the Company;
  - (2) To consider and approve Mr. Wang Pingsheng as the executive director of the Company;
  - (3) To consider and approve Mr. Hu Chuanzhong as the executive director of the Company;

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## NOTICE OF EGM

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- (4) To consider and approve Mr. Kang Yiqing as the executive director of the Company;
- (5) To consider and approve Mr. Li Junjie as the executive director of the Company;
- 2. To consider and approve the resolution on changes to directors' remuneration and entering into written contract;
- 3. To consider and approve the resolutions on the change of supervisors of the Company:
  - (1) To consider and approve Ms. Liu Zhe as the supervisor of the Company;
  - (2) To consider and approve Mr. Han Bingkui as the supervisor of the Company;
- 4. To consider and approve the resolution on changes to supervisors' remuneration and entering into written contract;
- 5. To consider and approve the resolution in relation to disposal of the property located at No. 25, West Huaweili, Chaoyang District, Beijing, PRC by Beijing Tianhai Industrial Co., Ltd. to Beijing Jingcheng Electric Management Co., Ltd..

Special resolutions:

- 6. To consider and approve the resolution on the amendments to the Articles of Association:

**a. Original text of Article 1:**

Article 1 Beiren Printing Machinery Holdings Limited (hereafter “the Company”) was established prior to the implementation of the Company Law of the People’s Republic of China (“the Company Law”) in accordance with relevant laws and regulations of the state and the Guideline Opinions for Joint Stock Liability Company promulgated by the State Commission for Restructuring the Economic System, and continues to exist upon the entry into force of the Company Law, and has been restructured pursuant to the Company Law and the State Council’s Special Regulations Regarding the Issue and Listing of Shares Overseas by Joint Stock Liability Companies (the “Special Regulations”) and satisfied the conditions specified by the Company Law.

The Company was established by the promoter on 12 July 1993 with the approval of the State Commission for Restructuring the Economic System (Ti Gai Sheng (1993) No.117), and registered in Beijing Administration of Industry and Commerce on 13 July 1993, and obtained the Business License for Legal Person, and the license number is: 110000005015956.

Beiren Group Corporation is the promoter of the Company.

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## NOTICE OF EGM

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**is now amended as:**

Article 1 Beijing Jingcheng Machinery Electric Company Limited (hereafter “the Company”) was established prior to the implementation of the Company Law of the People’s Republic of China (“the Company Law”) in accordance with relevant laws and regulations of the state and the Guideline Opinions for Joint Stock Liability Company promulgated by the State Commission for Restructuring the Economic System, and continues to exist upon the entry into force of the Company Law, and has been restructured pursuant to the Company Law and the State Council’s Special Regulations Regarding the Issue and Listing of Shares Overseas by Joint Stock Liability Companies (the “Special Regulations”) and satisfied the conditions specified by the Company Law.

The Company was established by the promoter on 12 July 1993 with the approval of the State Commission for Restructuring the Economic System (Ti Gai Sheng (1993) No.117), and registered in Beijing Administration of Industry and Commerce on 13 July 1993, and obtained the Business License for Legal Person, and the license number is: 110000005015956.

Beiren Group Corporation is the promoter of the Company.

**b. Original text of Article 4:**

Article 4 The Company’s registered Chinese name: 北人印刷機械股份有限公司

English name: Beiren Printing Machinery Holdings Limited

**is now amended as:**

Article 4 The Company’s registered Chinese name: 北京京城機電股份有限公司

English name: Beijing Jingcheng Machinery Electric Company Limited

**c. Original text of Article 5:**

Article 5 The Company’s address: No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing, the PRC, postal code: 100176, telephone number: 67886677

**is now amended as:**

Article 5 The Company’s address: Rm 901, Jingcheng Holding Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing, the PRC postal code: 100022, telephone number: 010-87707356

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## NOTICE OF EGM

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**d. Original text of Article 13:**

Article 13 Objectives: the Company shall lawfully conduct the business, utilize the funds in a proper and effective manner, introduce the advanced and scientific management, keep seeking for the technical progress, use the latest market and technical information to duly adjust the operation strategy, pay attention to economic lot size and scale of economy, engage in printing machines and related industries, explore domestic and international market with excellent products, superior service and advanced technology, to be world-class company, and to ensure the greatest extent proper economic returns to the shareholders lawfully.

**is now amended as:**

Article 13 Objectives: the Company shall lawfully conduct the business, utilize the funds in a proper and effective manner, introduce the advanced and scientific management, keep seeking for the technical progress, use the latest market and technical information to duly adjust the operation strategy, pay attention to economic lot size and scale of economy, engage in gas storage and transportation equipments and related industries, explore domestic and international market with excellent products, superior service and advanced technology, to be world-class company, and to ensure the greatest extent proper economic returns to the shareholders lawfully.

**e. Original text of Article 14:**

Article 14 Authorised scope of operation: production of printing machines, press equipment, packing machines and parts and components for the aforesaid machines; general logistics.

General scope of operation: development, design and sales, maintenance and installation of printing machines, press equipment, packing machines and parts of the aforesaid machines and equipments; technical consultancy, technical service, technical training with respect to printing equipments and technologies; management of the export of own enterprises' and member enterprises' self-produced products and technology; the import of auxiliary materials, instruments and meters, parts and components of machine tools and technologies required for own enterprises' and member enterprises' production (apart from those restricted by the State from import and export); processing on customer-supplied materials and "processing raw materials on clients' demands, assembling parts for clients and processing according to clients' samples or compensation trade"; the rental of office space, machineries and equipments; sales of printing machines.

The Company shall file application with registration authority based on the scope of operation set out in this article. The scope of business of the Company shall be consistent with and subject to that approved by the authority responsible for the registration of the Company.

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## NOTICE OF EGM

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The Company is allowed to set up branches, subsidiaries, jointly controlled enterprises and offices overseas based on the scope of operation set out in this article upon gaining approval in accordance with the approval procedures.

**is now amended as:**

Article 14 Authorised scope of operation: production of gas cylinders, accumulator shells, pressure vessels and auxiliary equipments, add-on components, fire extinguishers, fire extinguishing products and components, gas cylinders for medical use, gas cylinders for life rescues, gas cylinders and components for food machineries, gas and wrapped cylinders and components for gas vehicles, gas storage special containers, bundled devices, cryogenic gas cylinders and components, LPG cylinders and components, aluminum cores, cylinders and components, new enhanced complex materials (carbon fiber, organic fibre and high strength glass fibre) and products, complex gas cylinders (auto natural gas storage cylinders, gas storage cylinders for respirators, containers for water treatment), testing equipment for complex gas cylinders, production of compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading); general logistics (validity of Road Transport Licenses until 7 May 2016).

General scope of operation: providing installation, adjustment, maintenance, technical consultancy and services of self-production product; sales of self-production product; wholesale of cryogenic containers; after-sales service and maintenance, design and sale of compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; sale of machinery equipment and electrical equipment; equipment maintenance; technical advisory and technical services; import and export of commodities and acting as import and export agency; professional contractor.

The Company shall file application with registration authority based on the scope of operation set out in this article. The scope of business of the Company shall be consistent with and subject to that approved by the authority responsible for the registration of the Company.

The Company is allowed to set up branches, subsidiaries, jointly controlled enterprises and offices overseas based on the scope of operation set out in this article upon gaining approval in accordance with the approval procedures.

**f. Original text of Article 72:**

Article 72 The place for holding general meetings is: No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing, China.

The general meeting shall have a meeting place for convening the onsite meetings.

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## NOTICE OF EGM

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**is now amended as:**

Article 72 The place for holding general meetings is: Jingcheng Holding Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing, the PRC

The general meeting shall have a meeting place for convening the onsite meetings.

**g. Original text of Article 267:**

Article 267 The Company designates Shanghai Securities News as the newspaper for information disclosure, and <http://www.sse.com.cn> and <http://www.hkexnews.hk> as the websites for information disclosure.

**is now amended as:**

Article 267 The Company discloses information on press designated by the China Securities Regulatory Commission, and <http://www.sse.com.cn> and <http://www.hkexnews.hk> as the websites for information disclosure.

**h. Original text of Article 270:**

Article 270 In these Articles of Association, the following expressions shall have the following meanings unless the context otherwise requires:

“the Articles of Association”, “the Company’s Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company
“Chairman of the board”, “chairman of the board of the Company”	Chairman of the board of directors of the Company
“Director(s)”	Director(s) of the Company
“Ordinary shares”	Any domestic-invested shares or overseas-listed foreign-invested shares listed in Hong Kong
“Residence or legal address of the Company”	No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing, the PRC
“Renminbi”	Legal currency of the PRC

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## NOTICE OF EGM

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“Secretary of the board” the secretary appointed by the board of directors of the Company

“China” or “the State” People’s Republic of China

In these Articles of Association, accountancy firm shall have the same meaning as “auditor”.

**is now amended as:**

Article 270 In these Articles of Association, the following expressions shall have the following meanings unless the context otherwise requires:

“the Articles of Association”, the articles of association of the Company  
“the Company’s Articles of Association”

“Board” the board of directors of the Company

“Chairman of the board”, Chairman of the board of directors of the Company  
“chairman of the board of the Company”

“Director(s)” Director(s) of the Company

“Ordinary shares” Any domestic-invested shares or overseas-listed foreign-invested shares listed in Hong Kong

“Residence or legal address of the Company” Rm 901, Jingcheng Holding Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing, the PRC

“Renminbi” Legal currency of the PRC

“Secretary of the board” the secretary appointed by the board of directors of the Company

“China” or “the State” People’s Republic of China

In these Articles of Association, accountancy firm shall have the same meaning as “auditor”.

The above amendments to the Articles of Association of the Company were passed at the twelfth meeting of the seventh board of directors held on 31 October 2013. The amendments of the content approved by State Administration for Industry and Commerce shall prevail.

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## NOTICE OF EGM

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7. To consider and approve the resolution on the amendment of Rules of Procedure of the General Meeting of Shareholders:

“Beiren Printing Machinery Holdings Limited” in the original Procedural Rules of the Meetings of the Supervisory Committee be changed to “Beijing Jingcheng Machinery Electric Company Limited”.

**Original text of Article 20:**

Article 20 The Company shall hold General Meetings at No. 6 Rongchang East Street, Beijing Economic-Technological Development Area.

A General Meeting shall be held at a meeting place in the form of on-the-spot meeting. The Company may enable shareholders to have access to the General Meeting by using safe, economic and convenient network or any other means. The shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as having attended the meeting.

A shareholder may attend a General Meeting in person and exercise his voting right, or may entrust other person to attend the meeting and exercise the voting right to the extent of the authorization given.

**is now amended as:**

Article 20 The Company shall hold General Meetings at Jingcheng Holding Mansion, No. 59 Dongsanhuan Road Central, Chaoyang District, Beijing, the PRC.

A General Meeting shall be held at a meeting place in the form of on-the-spot meeting. The Company may enable shareholders to have access to the General Meeting by using safe, economic and convenient network or any other means. The shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as having attended the meeting.

A shareholder may attend a General Meeting in person and exercise his voting right, or may entrust other person to attend the meeting and exercise the voting right to the extent of the authorization given.

8. To consider and approve the resolution on the amendment of Rules of Procedure for the Board of Directors:

The original name of the Company is “Beiren Printing Machinery Holdings Limited”, now amended as “Beijing Jingcheng Machinery Electric Company Limited”.

9. To consider and approve the resolution on the amendment of Rules of Procedure for the Supervisory Committee.

The original name of the Company is “Beiren Printing Machinery Holdings Limited”, now amended as “Beijing Jingcheng Machinery Electric Company Limited”.



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## NOTICE OF EGM

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### III. WHO AND HOW TO JOIN THE EGM:

- (1) The directors, supervisors and senior management of the Company.
- (2) Related parties such as solicitors engaged by the Company.
- (3) Share record date: 15 November 2013 (Friday)

Shareholders whose names appear on the register of members of the Company at the close of business in the afternoon on 15 November 2013 (Friday) are entitled to attend the EGM and may appoint a proxy in writing to attend and vote. A proxy need not be a shareholder of the Company.

- (4) Shareholders who intend to attend the EGM in person or by proxy should deliver the reply slip to the Company on or before 26 November 2013 by hand, by post or by fax.
- (5) Holders of the Company's H shares should note that, the register of holders of H shares will be closed from 15 November 2013 to 16 December 2013, both days inclusive. Holders of the Company's H shares who intend to attend the EGM, must lodge all transfer documents of shares accompanied by the relevant share certificates with the Hong Kong Registrars Ltd. at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 14 November 2013.

A corporate shareholder shall be represented at the meeting by its legal representative, or a proxy appointed by the legal representative. If a corporate shareholder appoints its legal representative to attend the meeting, the legal representative shall produce the document of his identity, valid proof of his identity as a legal representative and the evidence of shareholding. Where a proxy is appointed by the legal representative to attend the meeting on his behalf, the proxy shall produce the document of his identity, the written proxy form duly issued by the legal representative of the corporate shareholder and the evidence of shareholding.

Shareholders who are entitled to attend and vote at the EGM may appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his behalf.

If more than one proxy is appointed by a Shareholder, such proxies will only be entitled to vote on a poll.

Shareholders shall appoint a proxy in written form, which shall be signed by the person appointing the proxy or an attorney authorised by such person in writing. In order to be valid, a form of proxy signed by an attorney shall be submitted together with the power of attorney or other documents of authorization notarially certified to the Company's registered address not less than 24 hours before convening the EGM.

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## NOTICE OF EGM

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### IV. OTHER MATTERS:

The Company's registered address: No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing

Contact number: 010-67802565

Fax number: 010-67802570

Postal Code: 100176

Contact Person: Jiao Ruifang

It is expected that the EGM will take half a day and shareholders attending the EGM shall be responsible for their own transportation and accommodation costs.

**The Board of Beiren Printing Machinery Holdings Limited**  
31 October 2013

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## SUPPLEMENTAL NOTICE OF EGM

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*The following corresponds to the supplemental notice of EGM which was published and dispatched to the Shareholders on 7 November 2013.*



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

**(Stock Code: 0187)**

### **SUPPLEMENTAL NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2013 WITH ADDITIONAL PROPOSED RESOLUTION**

Beiren Printing Machinery Holdings Limited (the “Company”) published the Notice of the First Extraordinary General Meeting of 2013 on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and on the HKExnews website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) on 31 October 2013. The First Extraordinary General Meeting of 2013 will be held at the Conference Room of the Company, Room 6206, No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing on 16 December 2013 (Monday) at 9:30 a.m..

On 7 November 2013, the Company received one extraordinary proposal from Beijing Jingcheng Machinery Electric Holding Co., Ltd. (a substantial shareholder which holds 201,620,000 shares of the Company, representing 47.78% of the total issued shares of the Company). According to the relevant requirements of Article 14 of the Rules and Procedures of the General Meetings of the Shareholders, “Shareholders that independently or collectively hold 3% or more of shares in the Company may make a temporary proposal and submit it to the convener(s) in written form ten days prior to a General Meeting. The convener(s) shall give a supplementary notice of the General Meeting to announce the content of the temporary proposal within 2 days upon receipt of the proposal”. The extraordinary proposal will be submitted for consideration in the First Extraordinary General Meeting of 2013 of the Company to be held on 16 December 2013.

“To consider and approve the appointment of Mr. Wu Yanzhang as executive director of the Seventh Board of Directors of the Company” is added to the First Extraordinary General Meeting of 2013 as ordinary resolution.

Apart from the addition of the above resolution, no other amendments are made by this supplemental notice on the Notice of the First Extraordinary General Meeting of 2013 of the Company.

The Board of directors of  
**Beiren Printing Machinery Holdings Limited**

7 November 2013