



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: 187)

## ANNOUNCEMENT FOR RESOLUTIONS PASSED AT THE 14TH MEETING OF THE FIFTH BOARD OF DIRECTORS

Beiren Printing Machinery Holdings Limited ("the Company") and the board of directors ("the Board") confirm the truthfulness, accuracy and completeness of the contents of this announcement and accept joint and several responsibilities for any possible misleading statements or misrepresentation in or material omissions from this announcement.

The 14th meeting of the fifth Board of the Company was held on 24 April 2007 at the Company's Conference Room 6203, 2nd Floor, No.6 Rong Chang Dong Street, Beijing Economic and Development Technological Zone, Beijing, the PRC. 10 out of 11 directors eligible to participate in the meeting attended the meeting in person. Director Mr. Zhu Wuan was absent from the meeting due to business engagement and had appointed the Chairman Mr. Wang Guohua to vote on his behalf. Supervisors and senior management members of the Company attended the meeting as non-voting participants. The convening of meeting is in compliance with the Company Law and the Articles of Association.

The meeting was presided over by the Chairman Mr. Wang Guohua, where 10 participating directors considered and approved the following resolutions on itemised basis:

- the Company's strategic planning for the 11th Five-year Plan period;
- the annual report of the Company for 2006 and its summary;
- the work report of the Board of Directors for 2006;
- the annual financial report of the Company for 2006;
- the resolution to reappoint Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu CPA Ltd. as the Company's international and domestic auditors for 2007 which is approved to be submitted to the annual general meeting of the Company for 2006 for consideration, and to propose to the general meeting to authorise the Board to enter into the engagement agreement and determine their remunerations;
- the resolution to recommend no profit distribution for 2006;  
As at 31 December 2005, the undistributed profit of the Company was Rmb139,909,400. As approved at the 2005 Annual General Meeting, the Company declared a cash dividend of Rmb29,540,000, with the remaining profit of Rmb110,369,400 undistributed. The Company realized a net profit of Rmb87,894,800 during the reporting period; the net undistributed profit was 22,474,600 via the undistributed profit at the beginning of the year less the loss in 2006. In accordance with the section of Employees' Remuneration under the new accounting rules effective from 1 January 2007, as at the first implementation date, the undistributed profit must deduct the remuneration for the employees who early retired in the previous years and who will early retire in 2007, and the profit to be distributed to shareholders would be small after this adjustment under the new accounting rules. In view of the above, the Board did not recommend to distribute profit and to transfer capital reserve to share capital for 2006.
- the resolution on provision for impairment of assets for 2006;  
As at 31 December 2006, the consolidated total assets amounted to Rmb2,132,913,600, and during the reporting period, provisions for bad debts and impairment of assets amounted to Rmb81,566,700, where reversal of Rmb5,230,400 was made and Rmb16,142,500 was written off. Accordingly, the closing balance of provisions for bad debts and impairment of assets was Rmb199,663,800. Of which, the Company's total assets amounted to Rmb1,808,003,700, and during the reporting period, provisions for bad debts and impairment of assets amounted to Rmb75,205,600, where reversal of Rmb4,506,100 was made and Rmb14,665,500 was written off. Accordingly, the closing balance of provisions for bad debts and impairment of assets was Rmb172,207,600.
- the resolution on change in accounting policies and accounting estimates as required by the adopted new Accounting Standards for Business Enterprises; (see Appendix 1 for details)
- the internal control report of the Company for 2006;
- the resolution on resignation of Mr. Zhu Wuan (Resume attached) from the office of director and nomination of Mr. Zhang Peiwu as a director candidate of the Company; (see Appendix 2 for independent directors' opinions)  
Mr. Zhu confirmed that his resignation was due to his personal reasons, he also confirmed that he was no disagreement with the Board and there is no circumstance related to his resignation which needs to be brought to the attention of the shareholders of the Company.
- the Management Measures on Performance Appraisal of Senior Management of the Company;
- the resolution on change of authorised representative in Hong Kong;  
as the original authorised representative has retired, the Board appointed Mr. Wang Guohua and Ms. Jiao Ruifang as authorised representatives.
- the resolution to extend the authority for issuance of new H shares in the Company valid for one year. The resolution was passed in the 16th meeting of the 4th Board on 29 April 2006 and the approved by the annual general meetings held in 2004, 2005 and on 29 April 2006, where the Board was authorised to deal with the matters relevant to the issuance of new H shares. The announcements of the resolution were published in Shanghai Securities News, Hong Kong Economic Times and the Standard on 25 May 2004, 9 June 2005 and 28 June 2006.

Among the above resolutions, resolutions 3, 4, 5, 6, 10 and 13 will be put forward to the annual general meeting for 2006 for consideration.

Beiren Printing Machinery Holdings Limited  
Board of Directors

24 April 2007

### Biographic details:

Zhang Peiwu, Chinese nationality, male, aged 44, a master's holder in printing mechanics and a senior economist. Mr. Zhang joined Beiren Group Corporation in 2002. He had once served as a teacher in Xi'an University of Technology, Shaanxi province, the Deputy General Manager and Legal Representative of Sichuan Printing Materials Corporation, a Manager of Printing Machinery Company of China Printing Materials Corporation. Since 2002, he has been Assistant to the General Manager of Beiren Group Corporation and General Manager of Operation and Sales Company. Since August 2006, he has been the general manager of the Company. Mr. Zhang has been engaged in marketing and corporate management for years. Mr. Zhang has not held directorship in any other listed public companies in the last three years. Mr. Zhang has no relationship with any directors, senior management, substantial or controlling shareholders of the Company. Mr. Zhang does not hold any shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance. He will be appointed for a term up to 13 July 2008 and will be entitled to an annual remuneration of RMB200,000 to RMB600,000 for acting as an executive director of the Company.

### APPENDIX 1

In accordance with the "Notice of 38 Specific Standards including 'Accounting Standards for Business Enterprises No.1-Inventory' (Circular Cai Kuai [2006] No.3) issued by the Ministry of Finance on 15 February 2006, the Company adopted the new Accounting Standards for Business Enterprises from 1 January 2007.

#### I. Difference between the existing accounting standards and the new Accounting Standards for Business Enterprises as at the first time adoption date

##### 1. Compensation for dismissal qualified to be recognised as accrued liabilities

Under the existing accounting standards, compensation for dismissal is recognised as expense for current period upon actual payment. Under the new accounting standards, compensation for dismissal is recognised as accrued liabilities where an official dismissal plan is formulated to be implemented and cannot be revoked unilaterally, which are reduced against the actual payment. Under the new accounting standards, accrued liabilities of Rmb17,011,760.98 arising from compensation for dismissal are recognised, which reduced the retained profit as at 1 January 2007 by Rmb17,011,760.98.

##### 2. Income tax

Under the existing accounting standards, enterprise income tax is accounted for using payable taxation method. Under the new accounting standards, enterprises income tax is accounted for using liabilities method through balance sheet, where deferred income tax assets and liabilities are also recognised. Under the new accounting standards, deferred income tax assets of Rmb2,776,288.28 are recognised, which increased the consolidated shareholders' funds as at 1 January 2007 by Rmb2,776,288.28 of which, retained profit amounting to RMB2,201,343.25, minority interest amounting to RMB574,945.03.

#### 3. Minority interests

Under the existing accounting standards, minority interests are separately presented between liabilities and shareholders' equity in consolidated financial statements. Under the new accounting standards, minority interests are presented as an item of shareholders' equity. Accordingly, the consolidated shareholders' equity as at 1 January 2007 was increased by Rmb45,887,106.31.

Pursuant to the Provisional Requirement on Consolidated Financial Statements issued by the Ministry of Finance [Cai Kuai Zi (1995) No.11], a subsidiary in liquidation may be excluded from the scope of consolidation. Such treatment will be no longer applicable under the new accounting standards. Accordingly, the subsidiary Beijing Beiren Tai He Casting Factory which is in liquidation was included in the scope of consolidation in the reconciliation, resulting in an increase of Rmb3,187,940.72 in minority interests.

Besides, as the deferred income tax assets attributable to minority interest amounting to RMB574,945.03 are recognised under the new accounting standard, which led to an increase of RMB574,945.03 in minority interest.

Taking three treatments above into account, shareholders' equity in consolidated financial statements as at 1 January 2007 increased by Rmb49,649,992.06 due to the change in presentation of minority interests.

The above difference in shareholders' equity and its impact on financial position and business results are subject to adjustment due to further interpretation on new accounting standards by the Ministry of Finance.

#### II. Potential change in accounting policies and accounting estimates and the impact on financial position and business results of the Company arising from adoption of new accounting standards for business enterprises

- In accordance with the new "Accounting Standards for Business Enterprises No. 2 - Long-term Investment", the Company's subsidiaries, which are accounted for using the equity method under the existing accounting standards, are accounted for using the cost method. This change will have an impact on the Company profit and loss account for the current period but will not affect the Company's consolidated financial statements.
- In accordance with the new "Accounting Standards for Business Enterprises No. 3 — Property held for investment", property held for investment is measured using cost method.
- In accordance with the new "Accounting Standards for Business Enterprises No. 6 — Intangible Assets", intangible assets with uncertain use lives are no longer be amortised instead of the previous practice of amortisation on straight-line basis.
- Previously, all the research and development expenditures for internal R&D projects are charged into the profit and loss account for the current period. In accordance with the new "Accounting Standards for Business Enterprises No. 6 — Intangible Assets", research expenditures are charged into the profit and loss account for the current period as incurred, whereas development expenditures which meet certain conditions can be capitalised and recognised as intangible assets.
- In accordance with the new "Accounting Standards for Business Enterprises No. 9 — Salary", no provision for welfare payable will be made, which is instead included in relevant costs and expenses respectively according to actual payment and the beneficiary of employee services. In accordance with the new "Accounting Standards for Business Enterprises No. 38 - First Time Adoption of Accounting Standards", the Company's balance of the original welfare payable in book will be transferred to the employees' salary payable on the first adoption date. During the first accounting period commencing from the first adoption date, the Company will confirm the "Salary payable - employee welfare" based on the actual situation and the employees' welfare plan. For the difference between the amount and the previously amount transferred to "Salary payable - employee welfare", the Company will adjust management expenses in accordance with the regulations. The change in the said policy is expected to affect the Company's profit onward.
- In accordance with the new "Accounting Standards for Business Enterprises No. 8 — Provision for impairment of assets", provisions for impairment of long-term equity investment, fixed assets, intangible assets and so on will no longer be reversed during the future accounting periods.
- In accordance with the new "Accounting Standards for Business Enterprises No. 8 — Government subsidy", government subsidy which are included into profit and loss account for the current period under the existing accounting standards will be classified as those related to assets which are included in deferred income to be credited in profit and loss account over relevant periods, and those related to income which are directly credited to profit and loss account for the current period.
- Previously, only interests on special borrowings which are incurred for acquisition of fixed assets before they are brought into usable conditions can be capitalised. In accordance with the new "Accounting Standards for Business Enterprises No. 8 — Borrowing expenses", expenses on all special borrowings and general borrowings qualified for capitalisation can be capitalised.
- In accordance with the new "Accounting Standards for Business Enterprises No. 18 — Income Tax", income tax which was previously accounted for using the tax payable method is accounted for using liabilities method through balance sheet. In case of difference between carrying amount of tax assets or liabilities and the reverent tax base, deferred income tax assets and deferred income tax liabilities are recognised under the new standards.
- In accordance with the "Accounting Standards for Business Enterprises No. 33 — Consolidated financial statements", net profit or loss of subsidiaries for the current period attributable to minority interests are presented in "Profit or loss from minority interests" under net profit in consolidated income statement, and shareholders' equity of subsidiaries attributable to minority interests are presented in "Minority interests" under shareholders' equity in consolidated balance sheet.

Beiren Printing Machinery Holdings Limited  
Board of Directors

24 April 2007

### APPENDIX 2

#### OPINION ISSUED BY INDEPENDENT DIRECTORS

With respect to the resolution on resignation of Mr. Zhu Wuan from the office of director and nomination of Mr. Zhang Peiwu as a director candidate of the Company, we, as independent directors of Beiren Printing Machinery Holdings Limited, hereby issue our independent opinion as follows:

- The procedures for nomination of Mr. Zhang Peiwu as a director candidate are in compliance with the Articles of Association.
- Mr. Zhang Peiwu meets the requirement on directorship under the PRC relevant laws and regulations and the Articles of Association.
- We agree the nomination of Mr. Zhang Peiwu as a director candidate, subject to consideration at the annual general meeting of the Company for 2006.

Beiren Printing Machinery Holdings Limited  
Independent Directors of the fifth Board of Directors  
Wu Wenxiang, Wu Hongzuo, Li Yijing, Shi Tiantao

24 April 2007

As at the date of the announcement, the Company's directors comprise Mr. Wang Guohua, Mr. Lu Changan, Mr. Zhu Wuan, Mr. Yu Baogui, Mr. Jiang Jianming, Mr. Yang Zhendong, Mr. Deng Gang, Ms. Li Yijing\*, Mr. Shi Tiantao\*, Mr. Wu Hongzuo\* and Mr. Wu Wenxiang\*.

\* Independent non-executive director