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)

2013 INTERIM REPORT SUMMARY

1 IMPORTANT NOTICES

1.1 This summary is extracted from the 2013 Interim Report. Investors are advised to read the full text of Interim Report for detailed information.

1.2 Introduction to the Company

Abbreviated name of A Shares	北人股份
A Shares stock code	600860
Place of listing of the A Shares	Shanghai Stock Exchange
Abbreviated name of H Shares	Beiren Printing
H Shares stock code	0187
Place of listing of the H Shares	The Stock Exchange of Hong Kong Limited

Contact persons and contact information	**Secretary to the Board**	**Representative in charge of securities affairs**
Name	Jiao Ruifang	Lu Ruiping
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2 MAJOR FINANCIAL DATA AND INDICES

2.1 Major accounting data and financial indices

Unit: RMB

	By the end of the reporting period	By the end of the reporting period last year	Increase (+)/ decrease (-) (%)
Total assets	1,482,912,052.12	1,475,038,749.96	0.53
Net assets per share attributable to shareholders of listed company	569,259,005.07	587,988,304.80	-3.19
	For the reporting period (January – June)	**For the same period last year**	**Increase(+)/ decrease(-) (%)**
Net cash flow from operating activities	-60,817,381.32	-67,056,225.47	N/A
Operating income	389,136,011.51	377,942,439.36	2.96
Total profit	-18,729,299.73	-31,968,668.99	N/A
Net profit attributable to shareholders of listed company	-20,688,253.77	-33,398,003.60	N/A
Return on net assets on weighted average basis (%)	-3.24	-4.32	Increased by 1.08 percentage points
Basic earnings per share (RMB/share)	-0.04	-0.08	N/A
Diluted earnings per share (RMB/share)	-0.04	-0.08	N/A

3 CHANGES IN SHARE CAPITAL

3.1 Statement of changes in shares

Unit: share

	Before change		Increase and decrease (+,-) in change					After change	
	Amount	Proportion (%)	Issuance of new shares	Bonus issue	Conversion from reserves	Other	Subtotal	Amount	Proportion (%)
(I) Shares subject to trading moratorium (Nil)									
1. State-owned shares									
2. State-owned legal person shares									
3. Other domestic shares									
Including:									
Domestic non-state-owned legal person shares									
Domestic public shares									
4. Foreign shares									
Including:									
Overseas legal person shares									
Overseas public shares									
(II) Circulating shares not subject to trading moratorium									
1. Renminbi ordinary shares	322,000,000	76.3						322,000,000	76.3
2. Foreign shares listed domestically									
3. Foreign shares listed overseas	100,000,000	23.7						100,000,000	23.7
4. Others									
(III) Total shares	422,000,000	100						422,000,000	100

3.2 Shareholdings of top ten shareholders

Unit: share

Total number of shareholders as at the end of the reporting period	15,294 (in which: 15,212 holders of A shares, 82 holders of H shares)

Shareholdings of top ten shareholders

Name of shareholder	Nature of shareholder	Shareholding ratio (%)	Total number of shares held	Number of shareholdings subject to trading moratorium	Number of shares pledged or frozen
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	State-owned legal-person	47.78	201,620,000	0	Nil
HKSCC NOMINEES LIMITED	Unknown	23.43	98,863,199	0	Unknown
China Construction Bank Corporation – Huashang Golden Age Growth Securities Investment Fund	Unknown	0.83	3,492,700	0	Unknown
Beijing Tonglong Investment Consulting Co., Ltd.	Unknown	0.59	2,507,250	0	Unknown
Peng Shu Gen	Unknown	0.27	1,135,300	0	Unknown
Xin Huai Bo	Unknown	0.23	965,611	0	Unknown
招商證券－交行－招商證券智遠內需集合資產管理計劃	Unknown	0.22	929,800	0	Unknown
Zhan Chun Xin	Unknown	0.21	900,000	0	Unknown
Shi Kui Yun	Unknown	0.20	864,600	0	Unknown
Wu Zhi Qiang	Unknown	0.20	826,049	0	Unknown
Explanation on the connected relationship of the shareholders and action in concert among the aforesaid shareholders	As of the reporting period, shares subject to trading moratorium held by the Company were all listed for circulation in the market. The Company is not aware of any connected relationship among the aforesaid shareholders, nor is the Company aware of any parties acting in concert as defined in Measures for Management on Information Disclosure of Changes in Shareholdings of Listed Company's Shareholders.				

Notes:

(1) Beijing Jingcheng Machinery Electric Holding Co., Ltd. is the controlling shareholder of the Company, no share of which are being pledged or frozen.

(2) HKSCC Nominees Limited held shares on behalf of many of its clients and the Company has not been notified by HKSCC Nominees Limited that there was any holder of H Shares who individually held 5% or more of the total share capital of the Company.

(3) Save as disclosed above, as at 30 June 2013, Directors were not aware of any person (not being a Director, supervisor or chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("SFO") or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

(4) There is no provision for pre-emptive rights under the laws of the PRC and the Articles of Association of the Company.

(5) As of 30 June 2013, the Company did not issue any convertible securities, options, warrants or any other similar right.

3.3 Changes in controlling shareholders and beneficial controller

☐ Applicable ✓N/A

4 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

4.1 Changes in shareholdings of directors, supervisors and senior management

Unit: share

Name	Position	Shareholdings at the beginning of the period	Shareholdings at the end of the period	Change in the amount of shareholdings in the periods	Reason for the change
Zhang Peiwu	Chairman	0	0	0	
Chen Bangshe	Executive Director and General Manager	0	0	0	
Teng Mingzhi	Non-executive Director	0	0	0	
Wu Dongbo	Non-executive Director	0	0	0	
Li Shenggao	Non-executive Director	0	0	0	
Wei Li	Non-executive Director	0	0	0	
Jiang Chi	Executive Director and Chief Accountant	0	0	0	
Zhang Shuangru	Independent Non-executive Director	0	0	0	
Wang Hui	Independent Non-executive Director	0	0	0	

Name	Position	Shareholdings at the beginning of the period	Shareholdings at the end of the period	Change in the amount of shareholdings in the periods	Reason for the change
Xie Bingguang	Independent Non-executive Director	0	0	0	
Wang Deyu	Independent Non-executive Director	0	0	0	
Wang Liansheng	Chairman of the Supervisory Committee	0	0	0	
Guo Xuan	Supervisor	0	0	0	
Wang Huiling	Supervisor	0	0	0	
Jiao Ruifang	Secretary to the Board of Directors	0	0	0	
Kong Dagang	Deputy General Manager	0	0	0	
Chen Changge	Deputy General Manager	0	0	0	
Xue Kexin	Deputy General Manager	0	0	0	
Cheng Tianming	Deputy Gener	0	0	0	

Notes:

(1) Save as disclosed above, none of the directors, supervisors and senior management of the Company, as at 30 June 2013, had any interest or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of the SFO), which was required to be recorded in the register under section 352 of the SFO, nor which would have to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

(2) None of the directors, supervisors and senior management of the Company or their respective associates was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or had exercised any such right as at 30 June 2013.

(3) Save as those set out in the register required to be maintained by directors and supervisors under section 352 of the SFO, during the reporting period, the Company had not engaged in any arrangement which would enable the directors or supervisors of the Company or their respective associates to acquire any interest in any shares or debt securities of the Company, nor did the directors or supervisors had any interest which was required to be recorded in the register under section 352 of the SFO.

4.2 Changes in directors, supervisors and senior management

During the reporting period, there was no change in directors, supervisors and senior management of the Company.

5. MANAGEMENT DISCUSSION AND ANALYSIS

Discussion and analysis of the directors concerning the future development of the Company for the reporting period

1. Review for the first half of 2013

During the reporting period, the world economy experienced an adjustment period. Generally speaking, problems such as ineffective structural reform and weak demand remained unsolved, which prolonged the impact of financial crisis. Meanwhile, developed countries encouraged manufacturing again to initialize the third industrial revolution symbolized by the Internet and new energy, which gave a new direction for global industrial restructuring. China government continued on active financial policy and stable monetary policy. By virtue of macro control policy aiming at stabilizing growth rate, adjusting structure and raising efficiency, the government shifted to more comprehensive reform and structural adjustment, which resulted in a generally stable economy with a gradually alleviated decline. However, as a result of a more complicated economic environment, there were both favorable and unfavorable factors which represented drive for economic growth and pressure for economic downturn. Domestic printing machine industry is facing various challenges, including high labor cost, highly fluctuating raw materials price, uneven quality of corporations, lack of technological and management creativity, etc., which results in surplus production, unbalanced structure and a sharply drop in general profitability of the industry. High-end machinery is hard to compete with those by foreign competitors, and low-end machinery market is overcrowded which further intensifies the acquisition and merger within the industry. Nevertheless, green and environmental friendly packaging and printing is the hottest market issue which have the rapidest development while the market demand on digital, automatic, highly intelligent, labour cost saving, time saving and multi-functional machinery keeps rising.

During the reporting period, since domestic and international market competition was fierce, the Company always paid attention to the market changes. We regarded “reform, adjustment, innovation and improvement” as our priority missions and “reducing loss” as our targets. Seizing the opportunity coming together with the 8th Beijing International Printing Technology Exhibition, the Company promptly adjusted marketing strategy, accelerated technology innovation and optimized product portfolios through “internal improvement and corporate image building campaign” so as to develop and produce a series of marketable products to satisfy market demand to the greatest extent and to ensure a stable operation.

As at the end of the reporting period, the operating income prepared in accordance with the PRC Accounting Standards was RMB389,136,000, representing a growth of 2.96% over the corresponding period of last year and the realized net profit attributable to the listing company’s shareholders was RMB-18,729,300, representing a decrease of 41.41% over the corresponding period of last year.

(1) Becoming market-orientated and insisting on technological innovation to satisfy market demand.

During the reporting period, the Company concentrated on customers' demand, actively carried out market research, reinforced relationship between technology and market and further achieved technological advancement to respond to market demand, which produced a better result in product development and advancement. Meanwhile, we kept strengthening technological research on and equipment for green and environmental friendly packaging. Trial operation of N566 split polychrome offset machine, a committed national project, had a great success and the same has been put into sales. 70A small roller newspaper printer was qualified and showcased on exhibitions. The technology of web-fed printing unit for packaging achieved a breakthrough. N575, C Square and book production line have been launched in exhibitions and received a satisfactory feedback from the market.

(2) Segmenting markets, changing marketing strategy and enhancing competitiveness of marketing system.

During the period, seizing the opportunity coming together with the 8th Beijing International Printing Technology Exhibition, the Company carried out an in-deep market research and paid much attention to extend our market share. Focusing on segmenting markets, we altered our marketing strategy, strengthened channel establishment and looked for new distributors and distribution channels. Based on exhibition, the Company developed a range of business models, including promotion before exhibitions, annual distributor meeting, company tour and signing contract at the exhibition, by which successfully showcased the Company's strength and brand image. We also held a presentation for BEIREN 40A and BEIREN 70A and made the new products, namely BEIREN300-5 and M81D, for sales.

(3) Strengthening quality management and quality check, starting QC in an earlier production procedure and improving product quality.

During the reporting period, the Company intensified quality management and quality check and amended and optimized Management Method for Quality Check and Standards for Quality Check. Through a more thorough analysis on internal and external quality statistics information, we optimized the establishment of quality system and started QC in an earlier production procedure to avoid defective product entering into market and being delivered to customers in order to further improve the Company's product quality.

(4) *Implementing the strategy of "3 Drop and 1 Rise", having greater synergy effect and further strengthening operation management of the Company*

During the reporting period, the Company made effort in implementing strategies of reducing cost, account receivables and inventory and improving economic efficiency, enjoyed a greater synergy effect, enhanced internal communication for technological system, production system, marketing system and financial system, further strengthened corporate budget management, established analyzing method for execution of budget plan, enhanced awareness of functional departments, realized dynamic management throughout cost management procedure, improved operation efficiency, lowered operation risk and strengthened the operation management of the Company.

(5) *Improving cost analysis and budget management and completely increasing fund utilization rate*

During the reporting period, the Company utilized budget management as a tool to achieve its target of refined financial management. Aimed at increasing "efficiency in two fields" by means of "3 Drop and 1 Rise" strategy and informationalization, the Company put further effort in team building, completely increased fund utilization rate, kept solidifying fundamental management in ERP, CRM and NC, which gradually changed financial management model from audit-oriented to operation-and-management-oriented and completely increased fund utilization rate.

(6) *Progress of material asset reorganization*

During the reporting period, on 21 January 2013, the Company announced it received a notice from the China Securities Regulatory Commission (the "CSRC") that the vetting of the Company's Material Asset Reorganisation matters has been carried out in the 2013 second working conference and unconditionally approved by the Listed Companies Merger and Reorganisation Vetting Committee of the CSRC. Yet, on 25 January 2013, the Company received a notice from the CSRC that since party/parties concerned for the Company's material asset reorganisation is/are suspected of violating the laws and such matter has been filed for investigation, the vetting of the Company's application for the material assets reorganisation has been temporarily suspended by the CSRC. On 19 July 2013, the Company was notified by the CSRC that the vetting of the Company's application for the merger and reorganization has been resumed.

2. *Outlook for the second half of 2013*

Looking forward into the second half of the year, it is full of complicated factors and uncertainties for international economy and the effect of financial crisis will continue. It is formidable for the world economy to recover and a strong rebound is hard to be seen during the year. Since there are lots of uncertainties, downside risk still exists. The PRC government focus on structural adjustment, reform and economic transformation, thus China's economy is still looking for a new balance point. As for printing machinery industry, domestic printing enterprises will keep manufacturing products for foreign brands, which has aggravated the competition among printing machinery manufacturers, especially the manufacturers of traditional offset machine. Domestically produced printing machinery is facing a fierce competition against foreign products and an increasing number of acquisition and merger within the industry can be foreseen. The sales of packaging materials printing machinery and after-printing facilities keep increasing and green and environmental printing remains the hottest issue while digital, intelligent and remote printing have great development potential.

On the reintegration tide among internationally well-known printing machinery manufacturers, domestic printing machinery industry is facing a problem of "lack of high-end products and overproduction of low-end products". The Company, through material asset reorganization, will further have an in-deep systematic reform, and based on "reform, adjustment, innovation and improvement", we will further advance corporate reform and adjustment, achieve technology advancement to respond to market demand and explore market with advanced technology to further enhance our creativity in marketing and technological research. In addition, founded on "3 Drop and 1 Rise" strategy, the Company will further improve operation quality and profitability to ensure to remain focus on major businesses, strengthen in segment market, have a breakthrough in new market and thoroughly improve the Company's competitiveness.

(1) Paying attention to user market, enhancing technology management and improving product competitiveness

Paying attention to on "market demand", the Company will establish and implement technological programme, adjust technological structure, optimize technology management system, standardize technical review, set up a new incentive system for technology breakthrough, accelerate technological resource sharing, improve efficiency in R&D and enhance products' core competitiveness.

(2) *Strengthening marketing management, innovating services model and establishing and implementing marketing plan*

The Company will further strive for market exploration, deepen integration of Beiren's marketing system, reinforce marketing management, strengthen team building, innovate after sale services, optimize establishment of value-added platform, launch more new products, enhance follow-up work of and adjustment to sales review program and accelerate establishment of back office to secure front-line sales, improve marketing management of the Company and ensure the accomplishment of annual sales target.

(3) *Enhancing fund management, strictly controlling budget and improving financial management*

The Company will enhance asset management, strictly control budget, improve budget making procedure and individual audit work, keep well in financing management, ensure smooth cash flow, improve fund utilization rate, continue cost cutting, strictly control cash expenditure, keep on budget analysis and warning mechanism and ensure realization of annual budget, together with innovative and effective financial management, in order to realize the change in financial management from audit-oriented to operation-and-management-oriented and to completely improve management on financial system.

(4) *Improving quality check, analysis on quality issue and product quality*

The Company will further optimize the establishment of quality management system, strictly implement quality check, further gather, collate, analyze and categorize information, establish a QC program incorporating quality issue in technical aspect based on information on-hand, tighten quality control procedure by way of dynamic quality assurance program and completely improve product quality with the aid of information.

(5) *Promoting procurement information sharing, improving synergy effect and reducing product cost*

We will continue to promote procurement information sharing and coordinate information sharing relating to internal allocation, keep strengthening procurement plan management, implement tardy reporting system for procurement plan, enhance risk control on external economic activities, complete the optimization work for contract management implementing rules, ensure prompt materials procurement, strive to satisfy the needs of production plan, cut down expense from origin and improve price competitiveness of our products.

3. ***Scope of principal operations:***

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 and components for the aforesaid machines; technical consultancy, technical support, technical training for printing equipment and printing skills; management of the export of own enterprises' and member enterprises' self-produced products and technology; the import of own enterprises and member enterprises production of the required auxiliary materials, instruments and meters, parts and components of machine tools and technology (apart from those products 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 equipment; sales of printing machines.

(I) Analysis of principal businesses

1. *Table of movement analysis for the related items in financial statements*

Unit: Yuan
Currency: RMB

Items	Current period	Corresponding period of last year	Changes (%)
Operating income	389,136,011.51	377,942,439.36	2.96
Operating cost	313,572,859.96	304,439,864.05	3.00
Sales expense	26,488,004.23	28,022,250.73	-5.48
Management expense	51,433,643.86	51,357,387.73	0.15
Financial expense	9,344,732.57	6,904,827.88	35.34
Net Cash Flow from Operating Activities	-60,817,381.32	-67,056,225.47	9.30
Net Cash Flow from Investment Activities	-2,016,188.10	-2,721,504.35	25.92
Net Cash Flow from Financing Activities	-17,322,832.12	-4,230,700.24	-309.46
R&D expenditure	7,777,417.12	7,337,292.57	6.00

Reasons for the changes:

(1) Change in financial expense was mainly due to increase in loan.

(2) Change in net cash flow from financing activities was mainly due to increase in bank acceptance notes guarantee.

2. *Others*

Items	Changes as compared to the beginning of the period (%)	Description
Monetary fund	-42.86	Mainly due to decrease in net cash flow from operating activities
Accounts receivables	54.21	mainly due to increase in product revenue
Advances from Customers	50.80	Mainly due to advances from new orders of subsidiary
Taxes Payable	2,856.68	Increase in unpaid taxes payable
Interests Payable	110.77	Mainly due to increase in loan
Other Current Liabilities	-91.99	Annual audit fee was paid in the period

Items	Changes as compared to the beginning of the period (%)	Description
Tax and Additional Expense	40.27	Increase in total operating income
Assets Impairment Losses	-67.36	Mainly due to increase in recovery of long aging receivables resulting in a decrease in bad debt provision
Investment Income	-256.77	Drop in profitability of associated company
Receipts of taxes and levy refunds	219.71	Increase in export rebates as compared to corresponding period of last year
Other Cash receipts in operating activities	-42.23	Mainly due to decrease in government subsidiary as compared to corresponding period of last year
Net cash from disposal of fixed assets, intangible assets and other long-term assets	85,849.24	Increase in proceeds from disposal of idle equipment for the period

3. Others

(1) Details of the material changes in profit components or income source

During the reporting period, there was no material change in profit components or income source.

(2) Analysis on the implementation progress of each type of financing and material asset reorganization

The Company was informed by Beijing Jingcheng Machinery Electric Holding Co., Ltd., its controlling shareholder, on 6 April 2012 that it was planning to implement a material assets reorganisation relating to the Company. The Company immediately published an Announcement of Suspension of Trading for such purpose and trading of shares of the Company was suspended from 9 April 2012. It then published an Announcement of Suspension of Trading in relation to a Material Asset Reorganisation on 13 April 2012 and an Announcement of Extension of Suspension Period in relation to a Material Asset Reorganisation on 15 May 2012 and 14 June 2012 respectively. During such period, the Company published an Announcement on the Progress of Material Asset Reorganization once every week. On 5 July 2012, the Company convened the first board meeting for the material assets reorganisation. The trading of shares of the Company was resumed on 6 July 2012 and a proposal of material reorganisation of assets and connected transaction was disclosed on the same date. On 2 November 2012, the Company convened the second board meeting for the material assets reorganisation and disclosed material assets reorganization proposal. On 18 December 2012, proposal for material assets reorganisation was considered and passed at the extraordinary general meeting of the Company. On 4 January 2013, the Company announced it received CSRC's Acceptance Notice of the Application for Administrative Permission (《中國證監會行政許可申請受理通知書》) from the CSRC. On 21 January 2013, the Company announced it received a notice from CSRC that the vetting of the Company's Material Asset Reorganisation matters has been carried out in the 2013 second working conference and unconditionally approved by the Listed Companies Merger and Reorganisation Vetting Committee of the CSRC. Yet, on 25 January 2013, the Company received a notice from CSRC that since party/parties concerned for the Company's material asset reorganisation is/are suspected of violating the laws and such matter has been filed for investigation, the vetting of the Company's application for the material assets reorganisation has been temporarily suspended by the CSRC. On 19 July 2013, the Company was noticified by CSRC that the vetting of the Company's application for merger and reorganisation has been resumed.

(3) Progress of operation plan

During the reporting period, the Company faced lots of challenges. We regarded "reform, adjustment, innovation and improvement" as our priority missions and "reducing loss" as our targets. Seizing the opportunity coming together with the 8th Beijing International Printing Technology Exhibition, the Company promptly adjusted marketing strategy, accelerated technology innovation and optimized product portfolios through "internal improvement and corporate image building campaign" so as to develop and produce a series of marketable products to satisfy market demand to the greatest extent and to ensure a stable operation.

(II) Analysis of industry, products or regional operation

(1) Principal businesses by industry and by product

Unit: Yuan
Currency: RMB

Sector of Product	Operating income	Operating cost	Profit margin (%)	Increase/ decrease in operating income over last year (%)	Increase/ decrease in operating cost over last year (%)	Increase/ decrease in profit margin over last year (%)
Hectograph machine	198,043,529.85	166,566,406.73	15.89	12.40	9.33	Increased by 2.37 percentage points
Intaglio printing machine	162,894,646.63	126,450,256.91	22.37	1.97	4.92	Decreased by 2.18 percentage points
Form machinery	5,051,365.76	4,798,666.92	5.00	-81.09	-78.01	Decreased by 13.31 percentage points
Total	365,989,542.24	297,815,330.56	18.63	0.92	1.06	Decreased by 0.11 percentage points

Analysis on the principal businesses by industry and by product:

(1) During the reporting period, profit margin decreased due to lower revenue and higher cost as a result of depressed market for form machinery.

(2) Principal businesses by geographical location

Unit: Yuan
Currency: RMB

Geographical location	**Operating income**	**Increase/ decrease in operating income compared over last year (%)**
PRC	372,780,758.13	7.64
Outside PRC	8,268,138.87	-65.05

Analysis on the principal businesses by geographical location:

(1) Impacted by European debt crisis, international market kept slumping which resulted in smaller number of orders leading a significant drop in the proportion of operating income from foreign markets as compared to the corresponding period of last year.

(III) Analysis of core competitiveness

Printing machinery manufacturing technology of the Company is at the same level with international advanced technology. We possess tens of patents symbolizing the top technological standard of domestic printing machinery.

The Company has a country-wide marketing, sales and service network, which includes two sales networks, namely single sheet-fed press and web offset press. The Company owns over 60 sales agency branches, more than 40 installation and testing centers and nearly 100 spare parts sale centers across the country.

(IV) Analysis of investment

1. General analysis of external investment in equity

(1) During the period, external investment of the Company increased by RMB1,000,000, which mainly because the supply of main product of printing business of the Company, i.e. high-grade single-fed two ply multi-colour offset machine, was mainly imported products with an annual import amount of RMB5.5 billion while the sales amount of domestically produced machine under same category was just RMB500 million. Thus, it exists a huge market for replacing imported equipment with domestically produced machine. In December 2009, four ministries and commissions, namely the PRC Ministry of Industry and Information Technology, the Ministry of Science and Technology, the Ministry of Finance and the State-owned Assets Supervision and Administration Commission of the State Council, jointly issued the 2009 version of "Thee Guidance Catalogue of Self-relied Innovation of Major Technical Equipment", on which high-grade single-fed two ply multi-colour offset machine is listed for high concern and priority support. In September 2009, the State Council has promulgated the "Revitalization Plan for the Cultural Industry", in which "printing and photocopying" was listed as one of the nine major developments of cultural industry and indicated the government was intended to "increase its support, improve industry policy and realize leapfrog development". The Company's Digital Single Piece of Paper Split Polychrome Offset Machine Industry Project was proposed under such backdrop and became a key project of the Twelfth Five Year Plan, which was approved by National Development and Reform Commission and General Administration of Press and Publication of PRC at the beginning of 2011. For such purpose, the Company established Beijing Beiren Printing Equipment Co. Ltd. to accomplish Digital Single Piece of Paper Split Polychrome Offset Machine Industry Project.

Incorporated in February 2013, Beijing Beiren Printing Equipment Co. Ltd, with initial registered capital of RMB1,000,000.00, is a wholly-owned subsidiary of the Company. Upon establishing Beijing Beiren Printing Equipment Co. Ltd, the Company increased its capital to RMB637,979,600 in total. The company is mainly engaged in sales of printing machinery, design and technical development of printing machinery and leasing of industrial factories.

(2) Beiren Dipu Rui Printing Machinery Co., Ltd., with registered capital of RMB20,000,000 and paid-up capital of RMB6,193,400, was incorporated and registered with Beijing Municipal Administration for Industry and Commerce, Yanqing Branch. In January 2013, relevant certification documents, including an Organization Code Certificate and Taxation Registration Certificate, were granted.

2. *Trust investment in non-financial entity and investment in diversities*

(1) Trust Investment

The Company did not entrust any entities to make investment during the year.

(2) Trust Loan

The Company did not have trust loan during the year.

3. *Use of capital raised*

The initial raised proceeds of the Company have been used up as at 31 December 1998. The second raised proceeds have also been used up as at 31 March 2003. No utilization of proceeds subsisted in this reporting period.

4. *Analysis of principal subsidiaries and joint stock companies*

Unit: RMB

Company	Business nature	Major products or service	Registered capital	Asset value	Net asset value	Net profit
Beijing Beiren Fuji Printing Machinery Co., Ltd.	Manufacturing of printing machinery	Form machinery	4,232.81	6,325.14	1,994.12	-147.94
Beijing Beiren Jingyan Printing Machinery Co., Ltd.	Manufacturing of components of printing machinery	Paper-feeding machine	2,105.00	2,461.45	1.28	-126.42
Shaanxi Beiren Printing Machinery Co., Ltd.	Manufacturing of printing machinery	Pressing machine	11,500.00	38,044.37	6,178.87	268.87
Beijing Monigraf Automations Co., Ltd.	Manufacturing	Ink color remote control system	1,500.00	2,251.11	1,838.44	-0.57

5. *Investments not Financed by Proceeds from Fundraising Activities*

During the reporting period, the Company did not have any investment not financed by proceeds from fundraising activities.

V. Proposal on the Profit Appropriation or Transfer of Capital Reserve Fund

(1) Implementation of or adjustment to the proposal on the profit appropriation for the period

During the reporting period, the Company did not implement any proposal on the profit appropriation.

VI. Other Disclosures

(1) Explanation on "non-standard auditors' report" by board of directors and board of supervisors

The 2013 interim report has not been audited.

(2) Segment information

More than 90% of the revenues and profits of the Company was from domestic manufacture and sale of the presses, so the Company's management consider there is no need for the segment information.

(3) Taxation

(1) The Main Taxation Category And Tax Rate

Category	Tax Base	Tax Rate
VAT	Goods sale revenue	17%
Business Tax	Taxable revenue	5%
Urban Construction & Maintenance Tax	VAT or Business tax payable	5%-7%
Education Surcharges	VAT or Business tax payable	3%-5%
Estate Tax	Lease income and 70-80% of the estate's original value	1.2% & 12%
Corporate Income Tax	Taxable income	25%

Corporate income tax rates for subsidiaries are as following:

Company	Tax Rate
Shaanxi Beiren Printing Machinery Co., Ltd.	15%
Beijing Beiren Fuji Printing Machinery Co., Ltd.	25%
Beijing Beiren Jingyan Printing Machinery Factory	25%

(2) Taxation Benefits and Approval

Shaanxi Beiren Printing Machinery Co., Ltd. (hereinafter called “Shaanxi Beiren”) as the subsidiary of the Group was certified as High and New Technology Enterprise on 9th Oct. 2011, and the certificate with No. GF201161000113 was jointly issued by Technology Office of Shaanxi Province, Financial Office of Shaanxi Province, National Taxation Bureau of Shaanxi Province, and Local Taxation Bureau of Shaanxi Province. The certificate is with three-year validation. By the approval of the certificate, Shaanxi Beiren applies 15% as the rate for corporate income tax.

(3) Taxation

Unit: RMB

Item	**January – June 2013**	January – June 2012
Business tax for the current year	**0.00**	0.00
Deferred tax	**0.00**	0.00
Total	**0.00**	0.00

(4) Net profit

Unit: RMB

	2013 Jan-Jun	2012 Jan-Jun
Net profit attributable to shareholders of the listed company	**-18,729,299.73**	-31,968,668.99

(5) Dividends

No dividend was paid or proposed for the six months ended 30 June 2013 (six months ended 30 June 2012: Nil), nor has any dividend been proposed since the end of the reporting period.

(6) Earnings per share

Unit: RMB

Items	**Number**	**Jan-Jun 2013**	Jan-Jun 2012
Net profit for equity holders of the parent company	1	**-18,729,299.73**	-31,968,668.99
Net profit of extraordinary items for equity holders of the parent company	2	**1,958,954.04**	1,429,334.61
Net profit for equity holders of the parent company after extraordinary items	3=1-2	**-20,688,253.77**	-33,398,003.60
Total number of shares at the beginning of the period	4	**422,000,000.00**	422,000,000.00
Number of shares increased by converting surplus reserve into share capital (I)	5		
Number of shares increased by issuing new shares or shares converted from debentures (II)	6		
Share increase (II) number of months from next month to the end of the reporting period	7		
Number of shares decreased by buyback	8		
Share decrease Number of months from next month to the end of the reporting period	9		
Number of shares decreased by shrinking	10		
Number of Months in the reporting period	11	**6**	6
Ordinary shares on weighted average basis	12=4+5+6×7÷11-8×9÷11-10	**422,000,000.00**	422,000,000.00
Basic earnings per share (I)	13=1÷12	**-0.04**	-0.08
Basic earnings per share (II)	14=3÷12	**-0.05**	-0.08
Dividends of diluted convertible ordinary shares as expense	15		
Conversion expense	16		
Income tax rate	17		
Weighted average number of shares increased by options, warrants or convertible bonds	18		
Diluted earnings per share (I)	19=[1+(15-16)×(1-17)]÷(12+18)	**-0.04**	-0.08
Diluted earnings per share (II)	19=[3+(15-16)×(1-17)]÷(12+18)	**-0.05**	-0.08

(7) Share capital

	Unit: RMB
Registered, issued and fully paid:	
At 1 January 2012, 31 December 2012 and 30 June 2013	
332,000,000 A shares of RMB1 each	322,000,000
100,000,000 H shares of RMB1 each	100,000,000
	422,000,000

(8) Contingent liabilities

As at 30 June 2013, the Company did not have any material contingent liabilities.

6. IMPORTANT MATTERS

(I) Material litigation, arbitration and matters commonly questioned by media

The Company does not have material litigation, arbitration and matters questioned by media for the period.

(II) Bankruptcy and restructuring related matter

The Company does not have bankruptcy and restructuring related matter for the period.

(III) Exchange of assets and merger of companies matter

The Company does not have exchange of assets and merger of companies matter for the period.

(IV) Company share incentive and its effect

The Company does not have share incentive scheme for this year.

(V) Material connected transaction

(1) Connected transaction related to daily operation

Unit: RMB

Related party	Relationship	Type of connected transaction	Details of connected transaction	Pricing principle of connected transaction	Prices of connected transaction	Connected transaction amount	Proportion in amount of same type of transaction (%)	Connected transaction settlement method	Market price	Major reason for the difference between transaction price and market reference price
Beijing Monigraf Automations Co., Ltd.	Associated company	Water, electricity and gas and other utilities fees (sale)	Water and electricity	Negotiated price		7,712.00	0.09	Currency transaction		
Beiren Group Corporation	Wholly-owned subsidiary of parent	Other flow-in	Housing and water and electricity	Negotiated price		687,739.97	7.91	Currency transaction		

(1) Such transactions are conducted in the ordinary course of the Company's operations and have warranted their necessity and continuity in the Company's operations.

(2) The connected transactions will not affect the Company's independence.

(3) Such transactions would in no way affect the independence of the Company and harm the interests of the Company and shareholders, especially minority shareholders.

(2) Related creditor's right and debt transactions

Unit: RMB

Related party	Relationship with related party	Balance as of beginning of period	Occurred amount	Balance as of end of period	Balance as of beginning of period	Occurred amount	Balance as of end of period
Beiren Group Corporation	Wholly-owned subsidiary of parent company	0	624,551.50	624,551.50	2,229,827.98	7,945,219.96	10,175,047.94
Haimen Beiren Printing Machinery Company Limited	Controlling subsidiary of parent company				29,711.82	0	29,711.82
Total		0	624,551.5	624,551.5	2,259,539.8	7,945,219.96	10,204,759.76
During the reporting period, the occurred amount of funding provided by the Company to controlling shareholders and its subsidiaries (Yuan)							624,551.50
Balance of funding provided by the Company to controlling shareholders and its subsidiaries (Yuan)							624,551.50
Reasons for debts and liabilities							Leasing of property
Settlement of connected debts and liabilities							Fully repaid as of the date of disclosure

(VI) Contracts of significance and their execution

(1) Trust, contract and lease matters

There was no trust matter for the Company during reporting period.

(2) Contract

There was no contract matter for the Company during the year.

(3) Lease

Unit: Yuan
Currency: Renminbi

Name of lessor	Name of lessee	Details of lease of assets	Amount involved in lease of assets	Starting date of lease	Ending date of lease	Lease revenue	Defining base for lease revenue	Effect of lease revenue on the Company	Is it a connected transaction?	Relationship
The Company	Beijing Beiying Casting Co. Ltd.	Land and housing	73,146,925.90	1 January 2013	31 December 2013	2,203,532.34	Negotiated price	2,203,532.34	Yes	Subsidiary
The Company	Beiren Group Corporation	housing	10,035,189.44	1 January 2013	30 June 2013	624,551.50	Negotiated price	624,551.50	Yes	Wholly-owned subsidiary of parent company
The Company	Beijing Jingcheng Nagano Construction Machinery Company Limited	housing	18,651,097.92	1 January 2013	31 December 2013	2,959,947.30	Negotiated price	2,959,947.30	Yes	Wholly-owned subsidiary of parent company
The Company	Beijing Beiren Fuji Printing Machinery Co., Ltd.	Housing	8,434,353.49	1 January 2013	31 December 2013	1,067,442.50	Negotiated price	1,067,442.50	Yes	Controlling subsidiary

(VII) Guarantee

There is no guarantee for the Company for the period.

(VIII) Other material contracts and transaction

During the period, there was no other material contract or transaction for the Company.

(IX) Fulfillment of commitments

The Company or its shareholders holding more than 5% of shares has no commitment during the reporting period or continued to the reporting period.

(X) Appointment or dismissal of accountants

Whether to appoint another accounting firm:	No
	Current appointment
Name of accounting firm:	ShineWing Certified Public Accountants LLP

(XI) Punishment and rectification of listed company and its directors, supervisors, senior management, shareholders holding more than 5% of shares, beneficial controller and buyer

During the reporting period, the Company and its directors, supervisors, senior management, shareholders holding more than 5% of shares and beneficial controller have not been checked by CSRC, have not received any administrative punishment, have not been the subject of notice of criticism and have not been openly criticized by stock exchange.

(XII) Corporate governance

To ensure that operation of the Company was in compliance with the law and regulations, the Company improved its standards for internal assessment and assessment on internal control in the first half of the year pursuant to requirements of "Guidelines for policies of corporate internal control" jointly issued by five ministries and commissions, and established External Guarantees Management System.

During the reporting period, a clear hierarchy of authority and responsibility for the Company's general meeting, board of directors and the senior management that allowed each performs its own functions in a proper manner was established; the disclosure of company information was true, accurate, complete and in time; the specialized committees of the board of directors performed according to their own functions; the independent non-executive directors played important role in issues such as the management of transaction and financial audit.

(XIII) Explanations for other important matters

1. The applicable enterprise income tax rate for the Company for the reporting period is 25%.

2. The unaudited 2013 Interim Report of the Company has been reviewed by the audit committee under the Board of Directors of the Company.

3. During the reporting period, the Company was in compliance with the code provisions in the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

4. During the reporting period, the Company has adopted a set of standard code of conduct regarding securities transactions by directors and supervisors on terms no less exacting than the standards set out in the Model Code contained in Appendix 10 to the Listing Rules. Having made specific enquiry to all directors and supervisors, the Company confirmed that each of the directors and supervisors has complied with the required standards regarding securities transactions by directors as set out in the Model Code during the six months ended 30 June 2013.

5. During the reporting period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

6. On 19 July 2013, the Company was noticified by CSRC that the vetting of the Company's application for merger and reorganisation has been resumed.

7. RELEVANT MATTERS TO THE FINANCIAL REPORT

1. Description of changes in accounting policies, accounting estimates and accounting methods as compared to the financial report for the previous year

There was no change in accounting policies, accounting estimates and accounting methods as compared to the financial report for the previous year.

2. Description of retrospective restatement of major accounting errors in the reporting period.

There was no change in retrospective restatement of major accounting errors in the reporting period.

3. Description of changes in coverage of the consolidated statements as compared to the financial report for the previous year.

Beijing Beiren Printing Equipment Co., Ltd., which is a newly established company wholly-owned by the Company, is consolidated into the Company's account.

4. The board of directors and supervisory committee's explanation to "Non-Standard Auditors' Report" issued by CPAs for the reporting period

The 2013 Interim Financial Report has not been audited.

5 FINANCIAL STATEMENTS

The Consolidated Balance Sheet
30 June 2013

Prepared by: Beiren Printing Machinery Holdings Limited *Unit: yuan*
Currency: RMB

Item	Notes	Closing Balance	Opening Balance
Current Assets:			
Cash		103,503,646.24	181,154,277.96
Tradable Financial Assets			
Notes Receivable		26,470,037.21	23,425,119.81
Accounts Receivable		296,486,724.89	192,265,245.43
Advances to Suppliers		19,105,487.40	15,824,817.72
Interests Receivable			
Dividends Receivable		113,600.00	113,600.00
Other Receivables		21,867,018.66	18,586,901.72
Inventory		389,701,466.40	403,659,917.33
Non-current Assets maturing within one year			
Other Current Assets			
Total Current Assets		857,247,980.80	835,029,879.97
Non-current Assets:			
Financial Assets available for sale			
Holding to Maturity Investment			
Long-term Receivables			
Long-term Equity Investment		14,989,824.74	15,935,435.65
Investment Property		6,462,360.74	6,556,479.32
Fixed Assets		486,059,201.91	498,616,014.96
Construction in Progress		8,575,308.46	8,068,949.59
Project Materials			
Disposal of Fixed Assets			
Intangible Assets		100,210,055.47	101,464,670.47
Goodwill			
Long-term Prepayments		9,367,320.00	9,367,320.00
Deferred Income Tax Assets			
Other Non-current Assets			
Total Non-current Assets		625,664,071.32	640,008,869.99
Total Assets		1,482,912,052.12	1,475,038,749.96

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Chen Deyou

The Consolidated Balance Sheet (Continued)
30 June 2013

Prepared by: Beiren Printing Machinery Holdings Limited *Unit: yuan*
Currency: RMB

Item	Notes	Closing Balance	Opening Balance
Current Liabilities:			
Short-term Loan		314,968,603.70	313,029,820.99
Tradable Financial Liabilities			
Notes Payable		26,500,000.00	24,200,000.00
Accounts Payable		324,650,540.33	323,922,570.97
Advances from Customers		98,005,433.68	64,992,309.32
Employee Benefit Payable		40,434,247.85	54,343,369.05
Tax Payable		9,247,248.83	-335,448.24
Interests Payable		2,149,263.30	1,019,724.67
Dividends Payable			
Other Payables		53,830,947.19	57,728,663.10
Non-current Liabilities maturing within one year			
Other Current Liabilities		100,100.28	1,250,200.56
Total Current Liabilities		869,886,385.16	840,151,210.42
Non-Current Liabilities:			
Long-term Loan			
Bonds Payable			
Long-term Accounts Payable			
Special Payable		28,223,711.09	31,282,414.47
Estimated Liabilities		542,407.38	542,407.38
Deferred Income Tax Liabilities			
Other Non-current Liabilities		516,075.10	516,075.10
Total Non-current Liabilities		29,282,193.57	32,340,896.95
Total Liabilities		899,168,578.73	872,492,107.37

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Chen Deyou

The Consolidated Balance Sheet (Continued)
30 June 2013

Prepared by: Beiren Printing Machinery Holdings Limited *Unit: yuan*
Currency: RMB

Item	Notes	Closing Balance	Opening Balance
Shareholders' equity			
Share capital		422,000,000.00	422,000,000.00
Capital Reserves		522,841,800.72	522,841,800.72
Less: Treasury Stock			
Special Reserves			
Surplus Reserves		43,172,707.88	43,172,707.88
General Risk Reserves			
Undistributed Profit		-418,755,503.53	-400,026,203.80
Exchange difference arising on translation of Foreign Currency Statements			
Total Owners' Equity attributed to the Parent		569,259,005.07	587,988,304.80
Minority Shareholder's Equity		14,484,468.32	14,558,337.79
Total Owners' Equity		583,743,473.39	602,546,642.59
Total Liabilities and Owners' Equity		1,482,912,052.12	1,475,038,749.96

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Chen Deyou

Balance Sheet of the Parent

30 Jun 2013

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: yuan
Currency: RMB

Item	Notes	Closing Balance	Opening Balance
Current Assets:			
Cash		75,700,977.68	150,192,182.81
Tradable Financial Assets			
Notes Receivable		14,584,731.00	17,884,090.19
Accounts Receivable		192,239,294.21	115,040,498.31
Advances to Suppliers		10,890,688.85	7,436,015.79
Interests Receivable		277,500.04	354,422.23
Dividends Receivable		113,600.00	113,600.00
Other Accounts Receivable		9,405,300.23	5,832,252.91
Inventory		256,114,716.93	267,067,042.82
Non-current Assets maturing within one year			
Other Current Assets		90,000,000.00	90,000,000.00
Total Current Assets		649,326,808.94	653,920,105.06
Non-current Assets:			
Financial Assets available for sale			
Holding to Maturity Investment			
Long-term Accounts Receivable			
Long-term Equity Investment		165,852,524.00	165,798,134.91
Investment Property		6,462,360.74	6,556,479.32
Fixed Assets		373,386,496.87	383,247,331.04
Construction in Progress		6,069,386.21	5,801,005.87
Project Materials			
Disposal of Fixed Assets			
Intangible Assets		81,594,323.87	82,609,157.87
Goodwill			
Long-term Prepayment		9,367,320.00	9,367,320.00
Deferred Income Tax Assets			
Other Non-current Assets			
Total Non-current Assets		642,732,411.69	653,379,429.01
Total Assets		1,292,059,220.63	1,307,299,534.07

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Chen Deyou

Balance Sheet of the Parent (Continued)
30 Jun 2013

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: yuan
Currency: RMB

Item	Notes	Closing Balance	Opening Balance
Current Liabilities:			
Short-term Loan		300,000,000.00	300,000,000.00
Tradable Financial Liabilities			
Notes Payable			
Accounts Payable		189,193,689.69	188,703,531.09
Advances from Customers		28,273,593.31	14,403,680.35
Employee Benefit Payable		24,260,403.14	37,880,698.91
Taxes Payable		4,141,690.62	-1,755,384.69
Interests Payable		2,113,250.00	1,019,724.67
Dividends Payable			
Other Payables		65,363,896.79	68,726,711.62
Non-current Liabilities maturing within one year			
Other Current Liabilities			1,050,000.00
Total Current Liabilities		613,346,523.55	610,028,961.95
Non-current Liabilities:			
Long-term Loan			
Bonds Payable			
Long-term Accounts Payable			
Special Payables		28,057,264.79	27,866,954.60
Estimated Liabilities		542,407.38	542,407.38
Deferred Income Tax Liabilities			
Other Non-current Liabilities			
Total Non-current Liabilities		28,599,672.17	28,409,361.98
Total Liabilities		641,946,195.72	638,438,323.93

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Chen Deyou

Balance Sheet of the Parent (Continued)
30 Jun 2013

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: yuan
Currency: RMB

Shareholders' equity		
Share capital	422,000,000.00	422,000,000.00
Capital Reserves	518,165,762.89	518,165,762.89
Less: Treasury Stock		
Special Reserve		
Surplus Reserves	38,071,282.24	38,071,282.24
General Risk Reserves		
Undistributed Profit	-328,124,020.22	-309,375,834.99
Total owners' equity (or shareholders' equity)	650,113,024.91	668,861,210.14
Total liabilities and owners' equity (or shareholders' equity)	1,292,059,220.63	1,307,299,534.07

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Chen Deyou

Consolidated Income Statement

Jan-Jun 2013

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: yuan
Currency: RMB

Item	Notes	Amount for current period	Amount for last period
1. Total Operating Income		389,136,011.51	377,942,439.36
Including: operating Income		389,136,011.51	377,942,439.36
2. Total Operating Cost		409,896,379.32	410,760,443.64
Including: Operating Cost		313,572,859.96	304,439,864.05
Tax and Additional Expense		3,281,369.83	2,339,368.24
Sales Expense		26,488,004.23	28,022,250.73
Administration Expense		51,433,643.86	51,357,387.73
Financial Expense		9,344,732.57	6,904,827.88
Assets Impairment Losses		5,775,768.87	17,696,745.01
Add: Income of Fair Value Change (loss marked "-")			
Investment Income (loss marked "-")		-945,610.91	-265,049.66
Thereinto: Investment Income to Subsidiaries and Joint Venture		-303,972.92	-265,049.66
Exchange Gain and Loss (loss marked "-")			
3. Operating Profit (loss marked "-")		-21,705,978.72	-33,083,053.94
Add: Non-operating Income		2,907,863.87	2,614,796.17
Less: Non-operating Expense		5,054.35	1,001,237.07
Thereinto: Disposal loss of Non-current Assets		4,969.30	955,658.70
4. Total Profit (loss marked "-")		-18,803,169.20	-31,469,494.84
Less: Income Tax Expense			
5. Net Profit (loss marked "-")		-18,803,169.20	-31,469,494.84
Net Profit Attributed to the Parent's Owners		-18,729,299.73	-31,968,668.99
Minority Shareholder's Equity		-73,869.47	499,174.15
6. Earnings per Share:			
(1) Basic Earnings per Share		-0.04	-0.08
(2) Earnings per Diluted Share		-0.04	-0.08
7. Other Comprehensive Income			
8. Total Comprehensive Income		-18,803,169.20	-31,469,494.84
Total Comprehensive Income of the Parent's Owners		-18,729,299.73	-31,968,668.99
Total Comprehensive Income of the Minority Shareholders		-73,869.47	499,174.15

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Chen Deyou

Income Statement of the Parent

Jan-Jun 2013

Prepared by: Beiren Printing Machinery Holdings Limited *Unit: yuan*

Currency: RMB

Item	Notes	Amount for current period	Amount for last period
1. Total Operating Income		210,090,461.37	186,132,145.46
Less: Operating Cost		172,605,297.23	158,370,595.35
Tax and Additional Expense		1,884,989.95	1,488,646.67
Sales Expense		12,701,036.71	9,615,122.89
Administration Expense		29,496,453.23	29,184,999.88
Financial Expense		6,057,596.54	3,611,223.26
Assets Impairment Losses		5,866,010.87	16,761,630.01
Add: Income of Fair Value Change (loss marked“-”)			
Investment Income (loss marked “-”)		-945,610.91	-265,049.66
Thereinto: Investment Income to Subsidiaries and Joint Venture		-303,972.92	-265,049.66
2. Operating Profit (loss marked “-”)		-19,466,534.07	-33,165,122.26
Add: Non-operating Income		719,716.99	344,094.89
Less: Non-operating Expense		1,368.15	45,578.37
Thereinto: Disposal Loss of Non-current Assets		1,368.15	
3. Total Profit (loss marked “-”)		-18,748,185.23	-32,866,605.74
Less: Income Tax Expense			
4. Net Profit (loss marked “-”)		-18,748,185.23	-32,866,605.74

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Chen Deyou

Consolidated Cash Flow Statement

Jan-Jun 2013

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: yuan
Currency: RMB

Item	Notes	Amount for current period	Amount for last period
1. Cash Flow from Operating Activities			
Cash receipts from the sale of goods and rendering of services		240,643,818.90	227,928,462.28
Receipts of taxes and levy refunds		1,156,073.10	361,600.63
Other Cash receipts in operating activities		5,325,607.22	9,218,694.86
Subtotal Cash Inflow from Operating Activities		247,125,499.22	237,508,757.77
Cash payments for goods and services acquired		145,234,170.74	154,998,393.41
Cash payments to and on behalf of employees		115,713,816.33	102,750,527.11
Payments to taxes and levy		19,226,206.56	15,229,854.93
Other cash payments from operating activities		27,768,686.91	31,586,207.79
Subtotal Cash Outflow from Operating Activities		307,942,880.54	304,564,983.24
Net Cash Flow from Operating Activities		-60,817,381.32	-67,056,225.47
2. Cash Flow from Investing Activities			
Cash receipts from return on investments			249,051.91
Cash receipts from investment income			
Net cash receipts from the sale of fixed assets, intangible assets and other long-term assets		1,134,530.00	1,320.00
Net cash receipts from disposal of subsidiaries and other business units			
Other cash receipts from investing activities			
Subtotal Cash Inflow from Investing Activities		1,134,530.00	250,371.91
Cash payments to acquired fixed assets, intangible assets and other long-term assets.		3,150,718.10	2,971,876.26
Cash payments to acquired investment		0.00	
Other cash payments in investing activities			
Subtotal Cash Outflow from Investing Activities		3,150,718.10	2,971,876.26
Net Cash Flow from Investing Activities		-2,016,188.10	-2,721,504.35

Consolidated Cash Flow Statement (Continued)
Jan-Jun 2013

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: yuan
Currency: RMB

Item	Notes	Amount for current period	Amount for last period
3. Cash Flow from Financing Activities			
Cash proceeds from absorbing investment			
Thereinto: Cash receipts from absorbing minority shareholder's investment by subsidiary			
Cash receipts from borrowing		166,938,782.71	166,000,000.00
Other cash receipts in financing activities			5,274,602.69
Subtotal Cash Inflow from Financing Activities		166,938,782.71	171,274,602.69
Cash repayments of amount borrowed		165,000,000.00	167,000,000.00
Cash payments of distribution of dividends, profits or interest expenses		8,448,614.83	6,688,493.06
Thereinto: Subsidiary's payment for minority shareholder's interest and profit			
Other cash payments in financing activities		10,813,000.00	1,816,809.87
Subtotal cash Outflow from Financing Activities		184,261,614.83	175,505,302.93
Net Cash Flow from Financing Activities		-17,322,832.12	-4,230,700.24
4. Effect of exchange rate change on cash and cash equivalent		-57,230.18	499.72
5. Net Increased Cash and Cash Equivalent		-80,213,631.72	-74,007,930.34
Add: the Beginning Balance of Cash and Cash Equivalent		172,904,277.96	156,591,748.37
6. The Ending Balance of Cash and Cash Equivalent		92,690,646.24	82,583,818.03

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Chen Deyou

Cash Flow Statement of the Parent

Jan-Jun 2013

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: yuan
Currency: RMB

Item		Notes	Current Period	Prior Period
1.	**Cash Flow from Operating Activities**			
	Cash receipts from the sale of goods and the rendering of services		112,321,462.15	113,507,471.25
	Receipts of taxes and levy refunds		867,450.62	15,981.49
	Other Cash Receipts relating to operating activities		2,634,479.52	3,365,881.34
	Subtotal Cash Inflow from Operating Activities		115,823,392.29	116,889,334.08
	Cash payments for goods and services acquired		79,475,382.30	84,985,466.35
	Cash payments to and on behalf of employees		70,973,628.59	62,289,120.46
	Payments of taxes and levy		9,006,430.62	8,173,572.97
	Other cash payments relating to Operating Activities		24,677,830.73	27,997,636.88
	Subtotal Cash Outflow from Operating Activities		184,133,272.24	183,445,796.66
	Net Cash Flow from Operating Activities		-68,309,879.95	-66,556,462.58
2.	**Cash Flow from Investing Activities**			
	Cash receipts from return of investments		90,000,000.00	95,249,051.91
	Cash receipts from investing income			
	Net Cash receipts from the sale of fixed assets, intangible assets and other long-term assets		1,134,530.00	
	Net Cash receipts from disposal of subsidiaries and other business units			
	Other cash receipts in investing activities		2,857,207.77	2,992,590.83
	Subtotal Cash Inflow from Investing Activities		93,991,737.77	98,241,642.74
	Cash payments to acquire fixed assets, intangible assets and other long-term assets		1,158,520.10	1,360,977.26
	Cash payments to acquire investments		91,000,000.00	90,000,000.00

Cash Flow Statement of the Parent (Continued)
Jan-Jun 2013

Prepared by: Beiren Printing Machinery Holdings Limited *Unit: yuan*
Currency: RMB

Item		Notes	Current Period	Prior Period
	Net cash payments to acquire subsidiaries and other business units			
	Other cash payments in investing activities			
	Subtotal Cash Outflow from Investing Activities		92,158,520.10	91,360,977.26
	Net Cash Flow from Investing Activities		1,833,217.67	6,880,665.48
3.	**Cash Flow from Financing Activities**			
	Cash proceeds from absorbing investment			
	Cash receipts from borrowing		165,000,000.00	165,000,000.00
	Other cash receipts in financing activities			
	Subtotal Cash Inflow from Financing Activities		165,000,000.00	165,000,000.00
	Cash repayments of amount borrowed		165,000,000.00	165,000,000.00
	Cash payments for distribution of dividends, profits or interest expenses		7,957,312.67	6,343,986.83
	Other cash payments in financing activities			
	Subtotal Cash Outflow from Financing Activities		172,957,312.67	171,343,986.83
	Net Cash Flow from Financing Activities		-7,957,312.67	-6,343,986.83
4.	**Effect of exchange rate changes on cash and cash equivalent**		-57,230.18	499.72
5.	**Net Increased in Cash and Cash Equivalent**		-74,491,205.13	-66,019,284.21
	Add: the Beginning Balance of Cash and Cash Equivalent		150,192,182.81	133,470,663.08
6.	**The Ending Balance of Cash and Cash Equivalent**		75,700,977.68	67,451,378.87

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Chen Deyou

Consolidated Statement of Movement on Equity

Jan-Jun 2013

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: yuan
Currency: RMB

Items	Amount for the Current Period									
	Owner's Equity Attributed to Parent									
	Share Capital	Capital Reserves	Less: Treasury Stock	Special Reserves	Surplus Reserves	Business Risk Reserve	Undistributed Profit	Others	Minority Shareholder' Equity	Total Owner's Equity
1. The ending balance for last year	422,000,000.00	522,841,800.72			43,172,707.88		-400,026,203.80		14,558,337.79	602,546,642.59
Add: Changes in Accounting Policy										
Correction for previous errors										
Others										
2. The beginning balance for current period	422,000,000.00	522,841,800.72			43,172,707.88		-400,026,203.80		14,558,337.79	602,546,642.59
3. Increase and decrease for current period							-18,729,299.73		-73,869.47	-18,803,169.20
(decreasement represent as "-")										
(1) Net Profit							-18,729,299.73		-73,869.47	-18,803,169.20
(2) Other Comprehensive Income										
Subtotal of (1) and (2)							-18,729,299.73		-73,869.47	-18,803,169.20
(3) Shareholders' Investing and Reducing Capital										
1. Shareholders' investing capital										
2. Shares payment in Shareholders' equity										
3. Others										
(4) Profit Distribution										
1. Provision of Surplus Reserve										
2. Provision for Business Risk										
3. Distribution of Shareholders'										
4. Others										
(5) Shareholders' Equity Internal Transfer										
1. Capital Reserve Transfer to Capital										
2. Surplus Reserve Transfer to Capital										
3. Surplus Reserve offset losses										
4. Others										
(6) Special Reserves										
1. Amount provided for the current period										
2. Amount expended for the current period										
4. The ending balance for current period	422,000,000.00	522,841,800.72			43,172,707.88		-418,755,503.53		14,484,468.32	583,743,473.39

Legal Person: Zhang Peiwu   Accounting Director: Jiang Chi   Accounting Manager: Chen Deyou

Consolidated Statement of Movement on Equity (continued)

Jan-Jun 2013

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: yuan
Currency: RMB

Items	Share Capital	Capital Reserves	Less: Treasury Stock	Special Reserves	Surplus Reserves	Business Risk Reserve	Undistributed Profit	Others	Minority Shareholder' Equity	Total Owner's Equity
	Amount for the Period of the Last Year									
	Owner's Equity Attributed to Parent									
1. The ending balance for last year	422,000,000.00	522,877,777.87			43,172,707.88		-231,668,177.08		18,360,361.92	774,742,670.59
Add: Changes in accounting balance										
Corrections for previous errors										
Others										
2. The beginning balance of the year	422,000,000.00	522,877,777.87			43,172,707.88		-231,668,177.08		18,360,361.92	774,742,670.59
3. Increase and decrease for current period (decreasement represents as "-")							-31,968,668.99		499,174.15	-31,469,494.84
(1) Net profit							-31,968,668.99		499,174.15	-31,469,494.84
(2) Other Comprehensive Income										
Subtotal of (1) and (2)							-31,968,668.99		499,174.15	-31,469,494.84
(3) Shareholders' Investing and Reducing Capital										
1. Shareholders' investing capital										
2. Shares payment in Shareholders' equity										
3. Others										
(4) Profit Distribution										
1. Provision of Surplus Reserve										
2. Provision for Business Risk										
3. Distribution for Shareholders'										
4. Others										
(5) Shareholders' Equity Internal Transfer										
1. Capital reserve transfer to capital (or share capital)										
2. Surplus reserve transfer to capital (or share capital)										
3. Surplus reserve offset losses										
4. Others										
(6) Special reserves										
1. Amount provided for the current period										
2. Amount expended for the current period										
4. The ending balance for current period	422,000,000.00	522,877,777.87			43,172,707.88		-263,636,846.07		18,859,536.07	743,273,175.75

Legal Person: Zhang Peiwu   Accounting Director: Jiang Chi   Accounting Manager: Chen Deyou

Statement of Movement on Equity of the Parent

Jan-Jun 2013

Prepared by: Beiren Printing Machinery Holdings Limited *Unit: yuan*

Currency: RMB

Items	Share Capital	Capital Reserves	Less: Treasury Stock	Special Reserves	Surplus Reserves	Business Risk Reserve	Undistributed Profit	Total Owner's Equity
	Amount for the Current Period							
1. The ending balance for last year	422,000,000.00	518,165,762.89			38,071,282.24		-309,375,834.99	668,861,210.14
Add: Changes in accounting balance								
Corrections for previous errors								
Others								
2. The beginning balance of the year	422,000,000.00	518,165,762.89			38,071,282.24		-309,375,834.99	668,861,210.14
3. Increase and decrease for current period (decreasement represents as "-")							-18,748,185.23	-18,748,185.23
(1) Net profit							-18,748,185.23	-18,748,185.23
(2) Other Comprehensive Income								
Subtotal of (1) and (2)							-18,748,185.23	-18,748,185.23
(3) Shareholders' Investing and Reducing Capital								
1. Shareholders' investing capital								
2. Shares payment in Shareholders' equity								
3. Others								
(4) Profit Distribution								
1. Provision of Surplus Reserve								
2. Provision for Business Risk								
3. Distribution for Shareholders'								
4. Others								
(5) Shareholders' Equity Internal Transfer								
1. Capital reserve transfer to capital								
2. Surplus reserve transfer to capital								
3. Surplus reserve offset losses								
4. Others								
(6) Special reserves								
1. Amount provided for the current period								
2. Amount expended for the current period								
4. The ending balance for current period	422,000,000.00	518,165,762.89			38,071,282.24		-328,124,020.22	650,113,024.91

Legal Person: Zhang Peiwu Accounting Director: Jiang Chi Accounting Manager: Chen Deyou

Statement of Movement on Equity of the Parent (continued)

Jan-Jun 2013

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: yuan
Currency: RMB

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

Legal Person: Zhang Peiwu   Accounting Director: Jiang Chi   Accounting Manager: Chen Deyou

Beiren Printing Machinery Holdings Limited
Chairman
Zhang Peiwu

Beijing, the PRC
25 July 2013

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