

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



北人
BEIREN

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)

2009 INTERIM REPORT SUMMARY

1 IMPORTANT NOTICES

1.1 The board of directors (the “Board”), supervisory committee (the “Supervisory Committee”) and the directors (the “Directors”), supervisors and senior management of the Company warrant that this report does not contain any false information, misleading statements or material omission and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the contents herein contained.

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

1.2 9 out of 10 directors eligible to participate in the meeting attended the meeting in person. Independent Non-executive Director Mr. Xie Bingguang was absent from the meeting due to business engagement and had appointed Independent Non-executive Director Mr. Wang Deyu to attend the meeting and vote on his behalf.

1.3 The financial statements of the interim report have not been audited.

1.4 None of our controlling shareholders and its associates has occupied the Company’s capital.

1.5 The Company did not provide third-party guarantees in violation of stipulated procedures.

1.6 Mr. Pang Liandong, the Chairman, Mr. Zhang Peiwu, the General Manager, and Mr. Duan Yuangang, the Chief Accountant, have declared that they guarantee the truthfulness and completeness of the financial statements contained in the interim report.

2 BASIC CORPORATE INFORMATION

2.1 Basic corporate information

Abbreviated name of A Shares	: 北人股份
A Shares stock code	: 600860
Place of listing of the Company's A Shares	: Shanghai Stock Exchange (SSE)
Abbreviated name of H Shares	: Beiren Printing
H Shares stock code	: 0187
Place of listing of the Company's H Shares	: The Stock Exchange of Hong Kong Limited

	Secretary to the Board of Directors	Representative in charge of securities affairs
Name	: Ms. Jiao Ruifang	Lu Ruiping
Correspondence address	: No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing, the PRC	No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing, the PRC
Telephone number	: 86-010-67802565	86-010-67802565
Facsimile number	: 86-010-67802570	86-010-67802570
Email address	: beirengf@beirengf.com	beirengf@beirengf.com

2.2 Major financial data and indices:

2.2.1 Major accounting data and financial indices

			<i>Unit: RMB</i>
	By the end of the reporting period	By the end of the reporting period last year	Increase(+)/ decrease(-) %
Total assets	1,867,403,451.67	1,959,518,162.60	-4.70
Equity holders' equity (or Shareholders' equity)	861,189,405.99	896,867,102.34	-3.98
Net assets per share	2.04	2.13	-4.23
	For the reporting period (January – June)	For the same period last year	Increase(+)/ decrease(-) %
Operating profit	-41,880,324.14	-28,164,530.81	-48.70
Total profit	-37,636,119.87	-23,677,203.00	-58.96
Net profit	-35,677,696.35	-22,797,649.93	-56.50
Net profit after extraordinary items	-39,788,653.21	-26,279,768.69	-51.40
Basic earnings per share	-0.08	-0.05	-60.00
Basic earnings per share after extraordinary items	-0.09	-0.06	-50.00
Diluted earnings per share	-0.08	-0.05	-60.00
Return on net assets (%)	-4.14	-2.01	Decreased by 2.13 percentage points
Net cash flow from operating activities	41,559,690.16	-31,328,391.72	232.66
Net cash flow per share from operating activities	0.10	-0.07	242.86

2.2.2 Extraordinary items and amount:

Applicable Not applicable

Unit: RMB

<i>Extraordinary items</i>	Amount
Profit (loss) from disposal of non-current assets	-85,611.43
Government subsidy accounted into profit and loss for the current period, other than those closely associated with the operations of the Company which were accounted for in fixed amount or volume in compliance with the requirements of the policies of the State and in accordance with uniform standard of the State	4,309,977.27
Other net non-operating income/expenses save for the above	-113,408.98
	<hr/>
Total	4,110,956.86

2.2.3 Differences between the PRC and Hong Kong Financial Reporting Standards

Applicable Not applicable

Unit: RMB

Items	Net assets		Net profit	
	Current period	Previous period	Current period	Previous period
As reported under Hong Kong Financial Reporting Standards	846,756	882,351	-35,595	-20,976
1. Difference in valuation of assets contributed to the Company by Beiren Group Corporation	60,198	60,198	0.00	0.00
2. Subsequent amortisation of difference in valuation of assets contributed to the Company by Beiren Group Corporation	-48,442	-48,409	-33	-33
3. Difference in valuation of assets contributed to subsidiaries	181	197	-16	-16
4. Difference in recognition of goodwill upon acquisition of a subsidiary	-4,479	-4,479	0.00	0.00
5. Difference in amortisation of goodwill upon acquisition of a subsidiary	4,479	4,479	0.00	0.00
6. Difference in recognition of transfer of impairment of assets	0.00	0.00	0.00	-1,730
7. Others	2,496	2,530	-34	-43
	<hr/>	<hr/>	<hr/>	<hr/>
Prepared under Accounting Standards for Business Enterprises	861,189	896,867	-35,678	-22,798

During the year, the financial impact of differences between the PRC and Hong Kong Financial Reporting Standards on the net profit of the Company was RMB83,000. The main differences are as follows:

- (1) Adjustment in valuation of assets contributed by Berien Group Corporation: In accordance with Hong Kong Financial Reporting Standards, the land developing expense contributed by Beiren Group Corporation to the Company was accounted for as increase in capital reserve. In accordance with Accounting Standards for Business Enterprises, the amount was recorded as the increase in long term deferred expenses. Accordingly, the related amortization charge of RMB33,000 for the year was written back in the accounts by the Company.
- (2) Difference in valuation of assets contributed to subsidiaries: In accordance with Hong Kong Financial Reporting Standards, the intangible assets invested by the Company into the subsidiaries with original cost of RMB4,624,000 should be written off. In accordance with Accounting Standards for Business Enterprises, the intangible assets were stated as assets of the Group. Accordingly, the related amount of amortization of RMB16,000 for the year was written back in the accounts by the Company.

3 MOVEMENTS OF SHARE CAPITAL AND STATUS OF SHAREHOLDERS

3.1 Changes in shareholding

Applicable Not applicable

Unit: share

	Before the change		Issue of new shares	Increase (+)/decrease (-)			After the change		
	Number	Percentage (%)		Bonus issue	Conversion from reserve	Others	Sub-total	Number	Percentage (%)
(1) Shares subject to trading moratorium									
1. State-owned shares									
2. State-owned legal person shares	180,440,000	42.76				-180,440,000	-180,440,000	0	0
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									
Total of shares subject to trading moratorium	180,440,000	42.76				-180,440,000	-180,440,000	0	0
(2) Circulating shares not subject to trading moratorium									
1. Renminbi Ordinary shares	141,560,000	33.55				180,440,000	180,440,000	322,000,000	76.31
2. Foreign shares listed domestically									
3. Foreign shares listed overseas	100,000,000	23.69				0	0	100,000,000	23.69
4. Others									
Total circulating shares not subject to trading moratorium	241,560,000	57.24				180,440,000	180,440,000	422,000,000	100
(3) Total shares	422,000,000	100				0	0	422,000,000	100

Note: About the changes in shareholding:

Share Segregation Reform of the Company was approved by related general meeting on 20 March 2006 and came into effect on 29 March 2006 (being the equity registration date), and the Company resumed listing for the first time after the implementation on 31 March 2006. According to the Share Segregation Reform, shares subject to trading moratorium held by the Company were 222,640,000 shares, of which 21,100,000 shares were listed for circulation in the market on 5 June 2007, 21,100,000 shares were listed for circulation in the market on 22 May 2008 and 180,440,000 shares were listed for circulation in the market on 31 March 2009, and the nature of shareholding has changed accordingly. Announcement of Listing of Circulating Shares subject to Trading Moratorium of the Beiren Printing Machinery Holdings Limited was disclosed by the Company on 30 May 2007, 20 May 2008 and 26 February 2009.

3.2 Number of shareholders and their shareholding

Unit: share

Total number of shareholders at the end of the reporting period			30,813 (including: 30,715 A share holders, 98 H share holders)			
			Particulars of top ten shareholders			
Name of shareholder	Nature of shareholder	Percentage in share capital (%)	Number of shares held	Increase/decrease during the reporting period	Number of shares subject to trading moratorium	Number of shares pledged or frozen
Beiren Group Corporation	State-owned legal person	52.76	222,640,000	0	0	None
HKSCC NOMINEES LIMITED	Unknown	23.39	98,737,199	0	0	Unknown
李瑞宏	Unknown	0.32	1,365,000	1,365,000	0	Unknown
伍志強	Unknown	0.19	820,000	0	0	Unknown
北廣電子	Unknown	0.17	722,100	0	0	Unknown
楊志寧	Unknown	0.17	699,500	699,500	0	Unknown
廖敬秋	Unknown	0.15	653,000	33,000	0	Unknown
唐斌斌	Unknown	0.11	443,800	443,800	0	Unknown
江少珠	Unknown	0.10	420,100	20,100	0	Unknown
馮福亨	Unknown	0.09	384,700	46,000	0	Unknown

Particulars of top ten holders of shares not subject to trading moratorium

Name of shareholder	Number of shares not subject to trading moratorium held	Class of shares
Beiren Group Corporation	222,640,000	Renminbi ordinary shares
HKSCC NOMINEES LIMITED	98,737,199	Foreign shares listed overseas
李瑞宏	1,365,000	Renminbi ordinary shares
伍志強	820,000	Renminbi ordinary shares
北廣電子	722,100	Renminbi ordinary shares
楊志寧	699,500	Renminbi ordinary shares
廖敬秋	653,000	Renminbi ordinary shares
唐斌斌	443,800	Renminbi ordinary shares
江少珠	420,100	Renminbi ordinary shares
馮福亨	384,700	Renminbi ordinary shares

The explanation of the connected relation and action in concert among the aforesaid shareholders

As at 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. HKSCC Nominees Limited held shares on behalf of its clients and the Company has not been notified by HKSCC Nominees Limited that there was any holder of H Shares who separately held more than 5% of the total share capital of the Company.
2. Save as disclosed above, as at 30 June 2009, 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.
3. There is no provision for pre-emptive rights under the laws of the PRC and the Articles of Association of the Company.
4. As at 30 June 2009, the Company did not issue any convertible securities, options, warrants or any other similar right.

3.3 Changes in status of controlling shareholder and beneficial controller

Applicable Not Applicable

4 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

4.1 Changes in shareholding of Directors, supervisors and senior management

✓Applicable □Not Applicable

Name	Position	Shareholding at the beginning of the year	Increase in the no. of shares held during the reporting period	Decrease in the no. of shares held during the reporting period	Shareholding at the end of the reporting period	Reason for the change
Pang Liandong	Chairman	0	0	0	0	–
Deng Gang	Vice Chairman, Non-executive Director	0	0	0	0	–
Bai Fan	Non-executive Director	0	0	0	0	–
Zhang Peiwu	Executive Director and General Manager	0	0	0	0	–
Yu Baogui	Non-executive Director	5,796	0	0	5,796	–
Yang Zhendong	Executive Director and Deputy General Manager	0	0	0	0	–
Duan Yuangang	Executive Director, Chief Accountant	0	0	0	0	–
Xu Wencai	Independent non-executive Director	0	0	0	0	–
Wang Hui	Independent non-executive Director	0	0	0	0	–
Xie Bingguang	Independent non-executive Director	0	0	0	0	–
Wang Deyu	Independent non-executive Director	0	0	0	0	–
Xiao Maolin	Chairman of Supervisory Committee	0	0	0	0	–
Guo Xuan	Supervisor	0	0	0	0	–
Shao Zhenjiang	Supervisor	0	0	0	0	–
Jiao Ruifang	Company secretary to the Board	0	0	0	0	–
Kong Dagang	Deputy General Manager	0	0	0	0	–
Liu Jing	Deputy General Manager	0	0	0	0	–

Notes:

- Save as disclosed above, none of the Directors, supervisors and senior management of the Company, as at 30 June 2009, 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.
- 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 2009.
- 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 Appointment or dismissal of Directors, supervisors and senior management

Applicable Not Applicable

At the first extraordinary general meeting of 2009 on 8 January 2009, Mr. Pang Liandong and Mr. Duan Yuangang were approved to be additional directors of the Sixth Board of Directors of the Company with terms from 8 January 2009 to 13 July 2011.

5 DIRECTORS' REPORT

5.1 Management discussion and analysis

5.1.1 Discussion and analysis of overall operation during the reporting period

The effect of global financial crisis during the reporting period resulted in shrinking asset price, decreased investment scale, slow down in economic growth, cutback in export and a drastic drop in market demands. While the state has launched the ten measures and the economic stimulus plan of RMB4 trillion for two years, due to the effect of the spread of financial crisis, production and operation of downstream printing enterprises remained difficult. In particular, some printing enterprises mainly relying on export even had production completely or partially suspended. Under such effect, a bounce-back growth in demands in the market of printing machinery industry is yet to be seen. The operating results of the Company were thus directly affected. As at the end of June, the operating income of the Company prepared in accordance with the PRC Accounting Standards was RMB383,409,800 and the net loss was RMB35,677,700; while prepared in accordance with Hong Kong Financial Reporting Standards, the turnover was RMB375,882,000 and the net loss was RMB35,595,000.

5.1.2 Review of the major events during the first half of 2009

- (1) Faced with the tremendous changes that took place in the external market environment, the Company revised its strategic planning, launched intensive production research and organised specialist seminars to determine the positioning of product development through incorporating demands of the market and customers. Meanwhile, by means of value chain analysis, a system analysis was carried out for the key processes in the subject activities and supporting activities of production and operation of the Company so as to determine the major administrative measures to be taken by the Company in the near and long terms.
- (2) To set up a rapid market feedback mechanism, during the reporting period, the Company adjusted and perfected its organisational structure. The operating mode of branches to enter the market entirely was materialised, which enhanced the initiative of branches to take part in market competitions, thus saving management efforts and reducing management cost.
- (3) During the reporting period, the Company simplified its business flow and completed the Internal Control System of the Company which includes the book of control, book of information and communication, book of internal control framework, book of environmental protection, book of supervision and book of risk assessment in accordance with the requirements of Basic Criteria and Regulations on Corporate Internal Control issued by the five departments including the Ministry of Finance and CSRC. Such books were intended to be implemented in the second half of the year.
- (4) During the reporting period, the Company faced the financial crisis and took measures actively to enhance the management standard. (1) In respect of production and sales: the Company took the initiative to promote the ERP and CRM scientific management methods and commenced production in a reasonable manner for reducing production cost. Messages from clients were comprehended accurately in a timely manner to meet the clients' requirements on the products. (2) In technical respect: improvements were done on existing products and a contract management system was implemented on research and development projects for perfecting product research and development mechanism so as to allow linkage among design, production and sales stages of products. (3) In financial respect: during the reporting period, the Company strengthened the procedural control in capital management and budget management by boosting efforts in execution and control of budget and carrying out analysis and giving feedback on the execution of budget on a quarterly basis. (4) Management on fragile segments including inventory and trade receivables was strengthened with initial effects obtained. The original value of inventory of the Company decreased by RMB89,686,200 and the original value of trade receivables decreased by RMB13,405,900.

5.1.3 Business outlook for the second half of 2009

In the second half of the year, following the spur from the promotion of domestic demand and loosening of the monetary policy by the state, economic sentiment in the PRC resumed gradually. Nonetheless, the real economy will still need to take some time to recover. It is expected that growth in the market demands in printing industry and printing machinery industry will remain slow. To better the overall operation of the Company, the following measures will be taken:

- (1) Strategic planning will be perfected continuously by means of reasonable planning for the overall resource allocation, strategic objectives, strategic measures and actual implementation plans of the Company. Functional strategies and strategic management mechanism for branches and subsidiaries will be established against different functional organisations and characteristics of branches and subsidiaries.
- (2) Advantaged resources will be centralised for research, production and development of products with suitable and appropriate sales channels as well as for enhancing the product quality, level of automatism and materialising multi-functions and multi-purposes of products so as to cater for the demands of medium-and high-end users.
- (3) Market research will be intensified with strengthened efforts in sales and marketing while files for the credit ranking of key clients and suppliers will be set up.
- (4) The implementation of internal control system of the Company will be strengthened with regular inspections on key procedures of internal control to prevent and control risks and enhance the quality of operation of the Company.
- (5) Management and control on corporate governance and parent company's control over subsidiaries will be carried out firmly. The operation standard and asset quality of subsidiaries will be raised and efforts in supervision and assessment over subsidiaries will be strengthened.

5.2 Principal operation by product and sector

Currency: RMB

By product	Operating income	Operating cost	Operating profit margin (%)	Increase (/Decrease) in operating income over last year (%)	Increase (/Decrease) in operating cost over last year (%)	Increase (/Decrease) in operating profit margin over last year (%)
Product						
Sales of set print machines	231,482,074.73	204,066,017.42	-12.79	-5.80	1.59	Decreased by 2.52 percentage points
Sales of Intrusion printers	120,777,529.76	102,620,647.10	-6.61	13.38	24.08	Decreased by 6.29 percentage points
Sales of Form presses	16,524,942.37	13,356,711.23	3.45	-29.47	-29.02	Increased by 2.83 percentage points
Total	368,784,546.86	320,043,375.75	10.04	-1.84	5.84	Decreased by 3.27 percentage points

Including the total connected transaction sum of RMB0 for sales of products and provision of labour to controlling shareholders and its subsidiaries by the listed company.

5.3 Principal operation by geographical segment

Currency: RMB

Region	Operating income	Increase (/Decrease) in operating income over last year (%)
PRC	348,204,718.23	-0.07
Outside PRC	20,579,828.63	-24.47

5.4 Explanation on material movements in principal operation and its structure

Applicable Not Applicable

5.5 Explanation on major movements in the profitability of principal operation (gross profit margin) compared to the previous year

Applicable Not Applicable

5.6 Explanation on major movements in profit structure compared to the previous year

Applicable Not Applicable

5.7 Use of proceeds

5.7.1 Utilization of proceeds

Applicable Not Applicable

5.7.2 Changes of items

Applicable Not Applicable

5.8 The Board's revised operating plan for the second half of the year

Applicable Not Applicable

5.9 Warning and explanation on expected accumulated net profit for the period (from the beginning of the year till the end of the next reporting period) might turn into loss or vary significantly from the same period last year

Applicable Not Applicable

5.10 The Board's explanation on the "modified auditor's report" prepared by the accountants for the reporting period

Applicable Not Applicable

5.11 The Board's explanation on movements in issues relating to the "modified auditor's report" prepared by the accountants for the previous year and how such movements are dealt with

Applicable Not Applicable

6 SIGNIFICANT EVENTS

6.1 Acquisition and disposal of assets and asset reorganization

6.1.1 Acquisition of assets

Applicable Not Applicable

6.1.2 Disposal of assets

Applicable Not Applicable

6.1.3 Since the issue of the report on asset reorganization or announcement on acquisition/disposal of assets, the progress of such event and its impact on operating results and financial condition during the reporting period

Applicable Not Applicable

6.2 Guarantee

Applicable Not Applicable

Unit: RMB10,000

Guarantee provided to external parties by the Company (not including guarantee provided to the controlling subsidiaries of the Company)	
Total amount of guarantee provided during the reporting period	
Total amount of outstanding guarantee provided as at the end of the reporting period	
Guarantee provided to the subsidiaries of the Company	
Total amount of guarantee provided to the controlling subsidiaries during the reporting period	1,550
Total amount of outstanding guarantee provided to the controlling subsidiaries as at the end of the reporting period	1,250
Total amount of guarantee granted by the Company (including guarantee provided to the controlling subsidiaries of the Company)	
Total amount of guarantee	1,250
Percentage of the total amount of guarantee to the net assets of the Company	1.45%
Of which:	
Amount of guarantee provided to the shareholders, beneficial controller and their connected parties	
Amount of guarantee provided directly or indirectly to borrowers with gearing ratio of over 70%	
Total amount of guarantee exceeding 50% of net assets	<u> </u>
Total amount of the above three guarantees	<u> </u> <u> </u> 1,250

6.3 Non-operating connected debts and liabilities

Applicable Not Applicable

Unit: RMB10,000

Name of connected party	Connected relationship	Capital provided to connected parties		Capital provided to the Company by connected parties	
		Incurred amount	Balance	Incurred amount	Balance
Beiren Group Corporation	Controlling shareholder	0	0	0	1,236.5
Total		<u> </u> <u> </u> 0	<u> </u> <u> </u> 0	<u> </u> <u> </u> 0	<u> </u> <u> </u> 1,236.5

During the reporting period, the amount provided by the Company to the controlling shareholder and its subsidiaries was Rmb0, and the balance was RMB0.

Connected debts and liabilities were attributable to amount payable to Beiren Group Corporation arising from the acquisition of the No. 4 Factory (the current rolling paper subsidiary) in 2000.

6.4 Material litigation and arbitration

Applicable Not Applicable

6.5 Analysis and explanation on other significant events and their impact and solutions

6.5.1 Security investment

Applicable Not Applicable

6.5.2 Holding of equity in other listed companies

Applicable Not Applicable

6.5.3 Holding of equity in non-listing financial enterprises

Applicable Not Applicable

6.5.4 Analysis and explanation on other significant events and their impact and solutions

Applicable Not Applicable

- (1) The Enterprise Income Tax for the Company is 25%.
- (2) The Company had received employment subsidies for the stability of enterprises in Beijing and social insurance subsidies amounting to RMB3,891,200.
- (3) Audit Committee

The unaudited 2009 Interim Report has been reviewed by the audit committee of the Board of Directors.

(4) Code on Corporate Governance Practices

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

(5) Model Code for securities transactions by directors and supervisors

During the reporting period, the Company has adopted a set of code of practice regarding securities transactions by directors and supervisors on terms no less exacting than the standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules. Having made specific enquiry to all directors and supervisors of the Company, each of the Directors and supervisors has complied with the required standards set out in the Model Code within the 6 months ended 30 June 2009.

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

(7) There is no change in scope of the consolidation for the reporting period.

7 FINANCIAL REPORT

7.1 Audit opinion

Financial statement unaudited audited

7.2 Financial statements and notes to the financial statements prepared in accordance with Hong Kong Financial Reporting Standards (as attached below)

7.3 There have been no movements in accounting policies, accounting estimates and accounting methods during the reporting period.

7.4 There has been no correction on accounting errors during the reporting period.

7.5 There have been no changes in scope of the consolidation for the reporting period.

CONDENSED CONSOLIDATED INCOME STATEMENT*FOR THE SIX MONTHS ENDED 30 JUNE 2009*

(Prepared in accordance with Hong Kong Financial Reporting Standards)

		Six months ended 30 June	
		2009	2008
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Turnover	3	375,882	392,980
Cost of sales		(330,579)	(318,241)
Gross profit		45,303	74,739
Other operating income		9,025	9,475
Selling and distribution expenses		(24,129)	(32,975)
Administrative expenses		(58,616)	(62,783)
Finance costs		(9,384)	(12,070)
Share of results of associates		248	1,759
Loss before taxation		(37,553)	(21,855)
Taxation	4	(166)	79
Loss for the period	5	(37,719)	(21,776)
Attributable to:			
Owners of the parent		(35,595)	(20,976)
Minority interests		(2,124)	(800)
		(37,719)	(21,776)
Loss per share			
Basic	7	RMB(8.43) cents	RMB(4.97) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2009

(Prepared in accordance with Hong Kong Financial Reporting Standards)

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period	(37,719)	(21,776)
Exchange differences arising on translation of foreign operations, representing other comprehensive loss for the period	—	(3,244)
Total comprehensive loss for the period	<u>(37,719)</u>	<u>(25,020)</u>
Attributable to:		
Owners of the parent	(35,595)	(24,220)
Minority interests	(2,124)	(800)
	<u>(37,719)</u>	<u>(25,020)</u>

CONDENSED CONSOLIDATED BALANCE SHEET*AS AT 30 JUNE 2009*

(Prepared in accordance with Hong Kong Financial Reporting Standards)

	<i>Notes</i>	30/6/2009 RMB'000 (Unaudited)	31/12/2008 <i>RMB'000</i> (Audited)
Non-current assets			
Property, plant and equipment	8	574,920	597,896
Investment properties		75,129	75,506
Prepaid lease payments		142,287	143,732
Interests in associates		15,014	14,766
Deferred tax assets		8,652	8,652
		<hr/> 816,002 <hr/>	<hr/> 840,552 <hr/>
Current assets			
Inventories		582,556	659,505
Trade and other receivables	9	344,007	350,432
Prepaid lease payments		2,893	2,894
Amounts due from minority shareholders of subsidiaries		20,851	20,976
Deposits placed in financial institutions		375	459
Bank balances and cash		91,016	74,325
		<hr/> 1,041,698 <hr/>	<hr/> 1,108,591 <hr/>
Current liabilities			
Trade and bills payables	10	368,720	411,498
Other payables		78,092	76,110
Sales deposits received		69,512	60,112
Amount due to immediate holding company		13,676	14,094
Tax liabilities		2,361	3,204
Bank and other borrowings – due within one year	11	252,209	258,243
Loans from ultimate holding company		135,000	135,000
Provision for retirement obligations		9,839	14,256
		<hr/> 929,409 <hr/>	<hr/> 972,517 <hr/>
Net current assets		<hr/> 112,289 <hr/>	<hr/> 136,074 <hr/>
Total assets less current liabilities		<hr/> 928,291 <hr/>	<hr/> 976,626 <hr/>

CONDENSED CONSOLIDATED BALANCE SHEET*AS AT 30 JUNE 2009*

(Prepared in accordance with Hong Kong Financial Reporting Standards)

	<i>Notes</i>	30/6/2009 RMB'000 (Unaudited)	31/12/2008 <i>RMB'000</i> (Audited)
Capital and reserves			
Share capital	<i>12</i>	422,000	422,000
Reserves		424,756	460,351
		<hr/>	<hr/>
Equity attributable to owners of the parent		846,756	882,351
Minority interests		28,564	30,688
		<hr/>	<hr/>
Total equity		875,320	913,039
		<hr/>	<hr/>
Non-current liabilities			
Bank and other borrowings – due after one year	<i>11</i>	18,000	24,000
Loans from ultimate holding company		5,000	5,000
Provision for retirement obligations		26,405	31,021
Deferred income		3,566	3,566
		<hr/>	<hr/>
		52,971	63,587
		<hr/>	<hr/>
		928,291	976,626
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2009
(Prepared in accordance with Hong Kong Financial Reporting Standards)

Attributable to owners of the Company

	Share capital	Share premium	Exchange translation reserve	Capital reserve	Statutory surplus reserve	General reserve fund	Enterprise expansion fund	Discretionary surplus reserve	Retained profits (accumulated losses)	Sub-total	Minority interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>(Note)</i>												
For the six months ended 30 June 2008												
At 1 January 2008 (audited)	422,000	435,834	971	51,306	151,280	1,717	3,845	42,979	38,816	1,148,748	50,375	1,199,123
Total comprehensive loss for the period	-	-	(3,244)	-	-	-	-	-	(20,976)	(24,220)	(800)	(25,020)
At 30 June 2008 (unaudited)	<u>422,000</u>	<u>435,834</u>	<u>(2,273)</u>	<u>51,306</u>	<u>151,280</u>	<u>1,717</u>	<u>3,845</u>	<u>42,979</u>	<u>17,840</u>	<u>1,124,528</u>	<u>49,575</u>	<u>1,174,103</u>
For the six months ended 30 June 2009												
At 1 January 2009 (audited)	422,000	435,834	-	51,306	151,280	1,717	3,845	42,979	(226,610)	882,351	30,688	913,039
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	-	-	-	(35,595)	(35,595)	(2,124)	(37,719)
Appropriations	-	-	-	-	(151,280)	-	-	-	151,280	-	-	-
At 30 June 2009 (unaudited)	<u>422,000</u>	<u>435,834</u>	<u>-</u>	<u>51,306</u>	<u>-</u>	<u>1,717</u>	<u>3,845</u>	<u>42,979</u>	<u>(110,925)</u>	<u>846,756</u>	<u>28,564</u>	<u>875,320</u>

Note:

During the period, pursuant to relevant regulations of the Rules in respect of the General Meeting of Listed Companies issued by the China Securities Regulatory Commission and the Articles of Association of the Company, the Board of Directors passed resolution to transfer the statutory surplus reserve to offset the accumulated losses.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2009
(Prepared in accordance with Hong Kong Financial Reporting Standards)

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	37,868	(46,820)
Proceeds from disposal of property, plant and equipment	664	8,938
Interest received	137	342
Purchase of property, plant and equipment	(769)	(6,244)
Increase in pledged bank deposits	–	(5,200)
Prepaid lease payments in respect of land use rights	–	(80)
NET CASH FROM (USED) IN INVESTING ACTIVITIES	32	(2,244)
Repayments of bank and other borrowings	(213,884)	(191,843)
Interest paid	(9,384)	(12,070)
New borrowings raised	201,850	194,915
Repayment from minority shareholders of subsidiaries	125	1,406
Repayment to ultimate holding company	–	(1)
NET CASH USED IN FINANCING ACTIVITIES	(21,293)	(7,593)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,607	(56,657)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	74,784	100,381
Effect of foreign exchange rate changes	–	(21)
CASH AND CASH EQUIVALENTS AT 30 JUNE, represented by:		
Deposits placed in financial institutions	375	572
Bank balances and cash	91,016	43,131
	91,391	43,703

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2009

(Prepared in accordance with Hong Kong Financial Reporting Standards)

1. GENERAL

Beiren Printing Machinery Holdings Limited (the “Company”) was established in Beijing, the People’s Republic of China (the “PRC”) on 13 July 1993 as a joint stock limited company in accordance with the provisions set out in the Standard Opinion on Joint Stock Limited Companies issued as of 15 May 1992 by the State Commission for Restructuring the Economic System of the PRC. The Company is registered as an overseas company in Hong Kong under Part XI of the Hong Kong Companies Ordinance. The H Shares and A Shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Shanghai Stock Exchange of the PRC respectively.

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in the manufacture and sale of a variety of printing press and related spare parts and provision of printing services. The addresses of the registered office and principal place of business of the Company are disclosed in the Basic Corporate Information section to the Interim Report.

The immediate holding company of the Company is Beiren Group Corporation (“BGC”), an enterprise owned by the whole people established in the PRC. The directors of the Company consider that the ultimate holding company of the Company is Beijing Jingcheng Machinery and Electrical Holding Co., Ltd. (“Beijing Jingcheng”), a State-owned enterprise established in the PRC. The addresses of the registered office and principal place of business of the immediate holding company and the ultimate holding company are disclosed in the Shareholders Information section to the Interim Report.

The condensed consolidated interim financial information is presented in Renminbi (RMB), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The unaudited condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standards (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2008.

Principal accounting policies

The condensed consolidated interim financial information has been prepared on the historical cost basis.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2008 except as described below.

In the current period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new HKFRSs”) issued by HKICPA which are effective for the Group’s financial year beginning on 1 January 2009.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2009

(Prepared in accordance with Hong Kong Financial Reporting Standards)

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

Principal accounting policies (continued)

HKFRSs (Amendments)	Improvements to HKFRSs May 2008
HKFRSs (Amendments)	Improvements to HKFRSs April 2009
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK (IFRIC)-Int 9 and HKAS 39 (Amendments)	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreement for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation

The adoption of the new HKFRSs, except for HKAS 1 (Revised) as described below, had no material effect on the results and financial position for the current or prior accounting periods which have been prepared and presented. Accordingly, no prior period adjustment has been recognised.

HKAS 1 (Revised) separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

The Group has not early applied the following revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs May 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs April 2009 ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 39 (Amendment)	Eligible Hedged Items ³
HKFRS 1 (Revised)	First-time Adoption of HKFRSs ³
HKFRS 3 (Revised)	Business Combinations ³
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives ⁴
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ³
HK(IFRIC) – Int 18	Transfers of Assets from Customers ⁵

¹ Amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009.

² Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.

³ Effective for annual periods beginning on or after 1 July 2009.

⁴ Effective for annual periods ending on or after 30 June 2009.

⁵ Effective for transfers of assets from customers received on or after 1 July 2009.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2009

(Prepared in accordance with Hong Kong Financial Reporting Standards)

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

Principal accounting policies (Continued)

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. TURNOVER AND SEGMENT INFORMATION

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of printing presses	356,714	363,727
Sales of spare parts	12,071	11,962
Others	10,012	18,244
	<hr/>	<hr/>
Total sales	378,797	393,933
Less: Sales tax and other surcharges	(2,915)	(953)
	<hr/>	<hr/>
	375,882	392,980
	<hr/>	<hr/>

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers and which are used to make strategic decisions.

The Group's revenue and results are substantially derived from the manufacture and sale of printing presses in the PRC. Moreover, as substantially all of the Group's assets and liabilities are located in the PRC, no segmental analysis of financial information is presented.

4. TAXATION

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Audited)
The taxation comprises:		
PRC Corporate Income Tax ("CIT")		
Current period	166	104
Deferred tax		
Current period	–	(183)
	<hr/>	<hr/>
	166	(79)
	<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2009

(Prepared in accordance with Hong Kong Financial Reporting Standards)

4. TAXATION (Continued)

On 16 March 2007, the PRC promulgated the Law of the People's Republic of China on Corporate Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council issued Implementation Regulation of the New Law. The New Law and Implementation Regulation changed the tax rate of the Company and certain of its PRC subsidiaries to 25% from 1 January 2008 onwards.

Starting from 1 January 2008, CIT of the Company is calculated at the rate of 25% (2008: 25%) of the estimated assessable profits for the period. In accordance with the relevant rules and regulations in the PRC, except for Shaanxi Beiren Printing Machinery Company Limited ("Shaanxi Beiren"), all other PRC subsidiaries are subject to CIT at a rate of 25% (2008: 25%).

According to document (Guoshuifa [2002] 47) and document (Caishuizi [2008] 21) "Notice of Application of Transitional Preferential Policy on Corporate Income Tax" issued by the State Administration of Taxation on 10 May 2002 and 4 February 2008 respectively, the applicable income tax rate of Shaanxi Beiren is 15% (2008: 15%).

No provision for Hong Kong profits tax has been made as there is no assessable profit for the subsidiaries operating in Hong Kong during the two years ended 30 June 2009 and 2008.

5. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Loss for the period has been arrived at after charging (crediting):		
Depreciation and amortisation		
– Property, plant and equipment and investment properties	22,858	24,014
– Prepaid lease payments	1,446	1,355
– Other intangible assets	–	283
	<hr/>	<hr/>
Total depreciation and amortisation	24,304	25,652
	<hr/>	<hr/>
Share of taxation of associates (included in share of results of associates)	(5)	250
Cost of inventories recognised as an expense	330,579	318,241
Interest on bank and other borrowings	9,384	12,070
Loss (gain) on disposal of property, plant and equipment	600	(4,572)
Interest income on bank deposits	(137)	(342)
	<hr/>	<hr/>

6. DIVIDEND

No dividend was paid or proposed for the six months ended 30 June 2009 (six months ended 30 June 2008: nil), nor has any dividend been proposed since the balance sheet date.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2009

(Prepared in accordance with Hong Kong Financial Reporting Standards)

7. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the parent is based on the loss for the period attributable to the owners of the parent of approximately RMB35,595,000 (2008: RMB20,976,000) and the weighted average number of 422,000,000 (2008: 422,000,000) ordinary shares in issue during the period.

No diluted loss per share is presented as the Company did not have any potential shares outstanding for the two periods ended 30 June 2009.

8. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately RMB487,000 (2008: RMB2,379,000) on acquisition of property, plant and equipment and approximately RMB282,000 (2008: RMB3,865,000) on construction in progress.

During the period, the Group disposed of certain of its property, plant and machinery with a carrying amount of approximately RMB1,264,000 (2008: RMB4,366,000) for total proceeds of approximately RMB664,000 (2008: RMB8,938,000), resulting in a loss on disposal of approximately RMB600,000 (2008: gain of RMB4,572,000).

9. TRADE AND OTHER RECEIVABLES

	30/6/2009 <i>RMB'000</i> <i>(Unaudited)</i>	31/12/2008 <i>RMB'000</i> <i>(Audited)</i>
Trade receivables	278,125	298,219
Bills receivables	23,060	7,830
Other receivables	28,299	17,461
Prepayments and deposits	29,046	26,922
	<hr/> 358,530 <hr/>	<hr/> 350,432 <hr/>

The Group allows average credit period of 360 days to its trade customers with retention payment to be paid one year after sales. The following is an aged analysis of trade receivables net of allowance for doubtful debts at the balance sheet date:

	30/6/2009 <i>RMB'000</i> <i>(Unaudited)</i>	31/12/2008 <i>RMB'000</i> <i>(Audited)</i>
Within 1 year	184,343	215,543
1 – 2 years	65,611	70,814
2 – 3 years	28,077	11,600
Over 3 years	94	262
	<hr/> 278,125 <hr/>	<hr/> 298,219 <hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2009

(Prepared in accordance with Hong Kong Financial Reporting Standards)

10. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade and bills payables at the balance sheet date:

	30/6/2009 <i>RMB'000</i> <i>(Unaudited)</i>	31/12/2008 <i>RMB'000</i> <i>(Audited)</i>
Within 1 year	319,736	353,089
1 – 2 years	45,981	55,315
2 – 3 years	1,529	468
Over 3 years	1,474	2,626
	<hr/> 368,720 <hr/>	<hr/> 411,498 <hr/>

11. BANK AND OTHER BORROWINGS

During the period, the Group obtained new borrowings of RMB201,850,000 (2008: RMB194,915,000) and repaid bank and other borrowings of RMB213,884,000 (2008: RMB191,843,000). The newly raised borrowings bear interest at variable market rates.

12. SHARE CAPITAL

	<i>RMB'000</i>
Registered, issued and fully paid, at 1 January 2008, 30 June 2008, 31 December 2008 and 30 June 2009	
322,000,000 A shares of RMB1 each	322,000
100,000,000 H shares of RMB1 each	100,000
	<hr/> 422,000 <hr/>

13. RELATED PARTIES DISCLOSURE

	30/6/2009 <i>RMB'000</i> <i>(Unaudited)</i>	31/12/2008 <i>RMB'000</i> <i>(Audited)</i>
Amount due from a subsidiary of BGC	–	26
Amounts due from associates	716	7,846
Amounts due to associates	57,683	70,334
	<hr/> 57,683 <hr/>	<hr/> 70,334 <hr/>

The above balances with related parties are all of trading nature and are included in trade and other receivables and trade and bills payables at the balance sheet date.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2009

(Prepared in accordance with Hong Kong Financial Reporting Standards)

13. RELATED PARTIES DISCLOSURE (Continued)

During the period, the Group entered into the following transactions with its related parties:

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of printing presses to		
– Beijing Yan Long Import and Export Co., Ltd. (a subsidiary of BGC)	–	5,064
Sales of materials to		
– Beijing Mitsubishi Heavy Industry Beiren Printing Machinery Co., Ltd. ("Mitsubishi Beiren") (an associate)	–	6,384
Purchase of printing presses from		
– Mitsubishi Beiren (an associate)	–	47,404
Purchase of materials from		
– BGC (immediate holding company)	–	456
– Beijing Beiyong Printing and Casting Company Limited ("Beijing Beiyong") (an associate)	5,846	11,525
– Beijing Monigraf Automations Co., Ltd. ("Beijing Monigraf") (an associate)	11,449	13,311
Trademark fee paid to		
– BGC (immediate holding company)	1,956	1,979
Rental income received from		
– Beiren Monigraf (an associate)	–	45
– Beijing Beiyong (an associate)	2,204	2,204
– Mitsubishi Beiren (an associate)	811	811

Transactions/balances with other State-controlled Enterprises in the PRC

The Group operates in an economic environment predominated by enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively "State-controlled Enterprises"). In addition, the Group itself is part of BGC, which is controlled by the PRC government. Apart from the transactions with BGC and its subsidiaries disclosed above, the Group also conducts businesses with other State-controlled Enterprises. The directors of the Company consider that transactions with other State-controlled Enterprises are activities in the ordinary course of business, and that dealings of the Group have not been significantly controlled or owned by the PRC government. The directors consider those State-controlled Enterprises are independent third parties so far as the Group's business transactions with them are concerned. The Group has also established pricing policies for products and such pricing policies do not depend on whether or not the customers are State-controlled Enterprises. Having due regard to the substance of the relationships and in view of the nature of these transactions, the directors of the Company are of the opinion that disclosure would not be meaningful.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2009

(Prepared in accordance with Hong Kong Financial Reporting Standards)

13. RELATED PARTIES DISCLOSURE (Continued)

Compensation of key management personnel

The short term benefits paid or payable by the Group to directors of the Company and other members of key management during the period is approximately RMB1,440,000 (2008: RMB1,050,000).

Chairman: Pang Liandong
Beiren Printing Machinery Holdings Limited
27 July 2009

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Bai Fan and Mr. Yu Baogui as non-executive directors, Mr. Pang Liandong, Mr. Zhang Peiwu, Mr. Yang Zhendong and Mr. Duan Yuangang as executive directors and Mr. Xu Wencai, Ms. Wang Hui, Mr. Xie Bingguang and Mr. Wang Deyu as independent non-executive directors.