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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

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

**(Stock Code: 0187)**

**2012 Annual Report**  
**2012 Work Report of the Board of Director**  
**2012 Work Report of the Supervisory Committee**  
**2012 Auditor's Audited Financial Reports**  
**2012 Auditor's Audited Internal Control Report**  
**No Profit Distribution Plan for 2012**  
**Appointment of the auditor for 2013 Financial Reports**  
**Appointment of the auditor for 2013 Internal Control Report**  
**Report of the Independent Non-executive Directors**  
**And**  
**Notice of Annual General Meeting**

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A notice convening the 2012 annual general meeting ("AGM") of Beiren Printing Machinery Holdings Limited ("the Company") to be held at the Conference Room 6206, No. 6, Rong Chang Dong Street, Beijing Economic and Technologic Development Zone, Beijing, PRC, on 26 April 2013 (Friday) at 9:30 a.m. is set out on pages 5 to 7 of this circular.

Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

11 March 2013

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LETTER FROM THE BOARD

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**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: 0187)**

*Executive directors:*

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

*Registered office:*

No. 6 Rongchangdong Street  
Beijing Economic and Technological  
Development Zone  
Beijing, PRC

*Non-executive directors:*

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

*Independent Non-executive directors:*

Mr. Xu Wencai  
Ms. Wang Hui  
Mr. Xie Bingguang  
Mr. Wang Deyu

Dear Sir or Madam,

**2012 Annual Report**  
**2012 Work Report of the Board of Director**  
**2012 Work Report of the Supervisory Committee**  
**2012 Auditor's Audited Financial Reports**  
**2012 Auditor's Audited Internal Control Report**  
**No Profit Distribution Plan for 2012**  
**Appointment of the auditor for 2013 Financial Reports**  
**Appointment of the auditor for 2013 Internal Control Report**  
**Report of the Independent Non-executive Directors**  
**And**  
**Notice of Annual General Meeting**

**INTRODUCTION**

The purpose of this circular is to give you notice of the 2012 AGM and to provide you with reasonable and necessary information.

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## LETTER FROM THE BOARD

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At the 2012 AGM, ordinary resolutions will be proposed to consider and approve (1) the Company's Annual Report of Beiren Printing Machinery Holdings Limited (the "Company") for the year 2012; (2) the 2012 Work Report of the board of directors of the Company (the "Board"); (3) the 2012 Work Report of the Supervisory Committee of the Company; (4) the 2012 audited Financial Reports of the Company; (5) the 2012 audited Internal Control Report of the Company; (6) no profit distribution plan for the year 2012; (7) the appointment of the auditor for 2013 Financial Reports; (8) the appointment of the auditor for 2013 Internal Control Report; (9) Report of the Independent Non-executive Directors.

**2012 Annual Report of the Company, 2012 Work Report of the Board of Directors, the 2012 audited Financial Reports, the 2012 audited Internal Control Report and no profit distribution plan for the year 2012.**

Please refer to the 2012 Annual Report of the Company and the relevant sections thereof.

### **2012 Work Report of the Supervisory Committee**

#### **(I) Work of the Supervisory Committee in 2012**

Supervisory Committee of the Company establishes a sound meeting and working system, which can be implemented strictly.

#### **Supervisory Committee convened six meetings in 2012**

1. The Fourth Meeting of the Seventh Supervisory Committee was held at the Conference Room of the Company on 15 March 2012. Major details of the meeting are as follows:
  - (1) The 2011 Supervisory Committee's Work Report was considered and approved, and was proposed to the 2011 annual general meeting for consideration.
  - (2) The 2011 Annual Report of the Company and its summary were considered and approved.
  - (3) The 2011 audited Financial Statement of the Company was considered and approved.
  - (4) No profit distribution plan of the Company for 2011 was considered and approved.
  - (5) Proposal of provision for impairment on assets of the Company for the year 2011 was considered and approved.
  - (6) The 2011 Self Assessment Report on Internal Control of the Company was considered and approved.
  - (7) The 2011 audited Internal Control Report of the Company was considered and approved.
  - (8) The 2011 Social Responsibility Report of the Company was considered and approved.

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## LETTER FROM THE BOARD

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- (9) The following resolutions in respect of connected transactions were considered and approved:
- i. The resolution in respect of connected transaction concerning the entrustment of casting parts processing by Beijing Beiying Casting Company Limited, an associate of the Company was considered and passed;
  - ii. The resolution in respect of connected transaction concerning the leasing of housing to Beijing Beiying Casting Company Limited, an associate of the Company was considered and passed;
  - iii. The resolution in respect of connected transaction concerning the leasing of part of factories and offices to Beijing Jingcheng Nagano Construction Machinery Company Limited was considered and passed;
  - iv. The resolution in respect of connected transaction concerning the sales of certain part of products by Beiren Group Corporation, the substantial shareholder, as an agent was considered and passed.
2. The Fifth Meeting of the Seventh Supervisory Committee was held at the Conference Room of the Company on 26 April 2012. Major details of the meeting are as follows:
- (1) The 2012 First Quarterly Report of the Company was considered and approved.
  - (2) The resolution in respect of the writing off and handling of bad debts of the Company was considered and approved.
3. The Sixth Meeting of the Seventh Supervisory Committee was held at the Conference Room of the Company on 5 July 2012. Major details of the meeting are: the Supervisory Committee considered and unanimously approved the resolution in respect of the Material Assets Reorganisation of the Company:
- The Company proposed to exchange all its assets and liabilities (“Outgoing Assets”) with the following assets held by Jingcheng Holding Machinery Electric Holding Co., Ltd. (“Jingcheng Holding”) (“Incoming Assets”): 71.56% interest in Beijing Tianhai Industry Co., Ltd (“Tianhai Industrial”), 100% interest in Jingcheng Holding (Hong Kong) Company Limited (“Jingcheng HK”) and 100% interest in Beijing Jingcheng Environmental Protection Development Co., Ltd. (“Jingcheng Environment”) (after disposal of its environmental protection business). The difference in the prices of the Outgoing Assets and Incoming Assets is to be paid in cash by the party who caused the shortfall.
4. The Seventh Meeting of the Seventh Supervisory Committee was held at the Conference Room of the Company on 26 July 2012. Major details of the meeting are as follows:
- (1) The 2012 Interim Report of the Company and its summary were considered and approved.
  - (2) The proposal of provision for impairment of the Company for the half year of 2012 was considered and approved.

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## LETTER FROM THE BOARD

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5. The Eighth Meeting of the Seventh Supervisory Committee of the Company was held at the Conference Room of the Company on 29 October 2012. Major details of the meetings are: 2012 Third Quarterly Report of the Company and its summary were considered and approved.
6. The Ninth Meeting of the Seventh Supervisory Committee of the Company was held at the Conference Room of the Company on 2 November 2012. Major details of the meetings are: the Supervisory Committee considered and unanimously approved the resolution in respect of the Material Assets Reorganisation of the Company.

The Company proposed to exchange all its assets and liabilities (“Outgoing Assets”) with the following assets held by Jingcheng Holding Machinery Electric Holding Co., Ltd. (“Jingcheng Holding”) (“Incoming Assets”): 71.56% equity interest in Beijing Tianhai Industry Co., Ltd (“Tianhai Industrial”) (Jingcheng Holding is currently taking steps to increase the registered capital of Tianhai Industrial by RMB230,000,000. Upon completion of such capital increase, Jingcheng Holding shall own approximately 88.51% equity interest in Tianhai Industrial, the equity ratio should be based on industrial and commercial registration), 100% interest in Jingcheng Holding (Hong Kong) Company Limited (“Jingcheng HK”) and 100% interest in Beijing Jingcheng Compressor Co., Ltd. (“Jingcheng Compressor”) (after disposal of its environmental protection business). The difference in the prices of the Outgoing Assets and Incoming Assets is to be paid by Jincheng Holding in cash.

### **(II) Independent Opinion of the Supervisory Committee on Operating in Compliance with Laws by the Company**

The Supervisory Committee is of the view that, during the reporting period, the work of the Board strictly complied with the Company Law, Securities Law, the Listing Rules, Articles of Association of the Company and other relevant laws and regulations. The material decisions of the Company were scientific and reasonable and the procedures of decision were lawful and effective. Meanwhile, the Company has established and improved its internal management and control system. Directors and General Manager of the Company were able to carry out their duties earnestly. There had been no violation of the laws, regulations, the Articles of Association of the Company or behavior in detrimental to the interests of the Company.

### **(III) Independent Opinion of the Supervisory Committee on Review of the Company’s Financial Position**

The Supervisory Committee considers that the 2012 Financial Report of the Company truly reflects the financial status and operating results of the Company. The Supervisory Committee has diligently reviewed the Financial Statements and other accounting data of the Company and is of the view that the income and expenditure were clearly stated in the accounts of the Company, and that accounting and financial management had complied with the relevant requirements, and no problem was found. ShineWing Certified Public Accountants LLP audited the 2012 Financial Report of the Company according to the PRC accounting standards and issued the auditors’ report without qualification. The Supervisory Committee considers that the auditors’ report truly reflects the financial status, operating results and cash flows of the Company and that the auditors’ report is fair, objective, true and reliable.

### **(IV) Independent Opinion of the Supervisory Committee on Use of the Last Raised Proceeds by the Company**

The last fund raising activity of the Company was conducted at the end of 2002 and completed for the year ended 31 March 2003. The use of the proceeds raised was in line with the intended use without any changes.

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## LETTER FROM THE BOARD

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### **(V) Independent Opinion of the Supervisory Committee on Acquisition and Disposal of Assets of the Company**

During the reporting period, the Company did not acquire and dispose of any assets.

### **(VI) Independent Opinion of the Supervisory Committee on Connected Transactions of the Company**

During the reporting period, the Company completed the entering into of the Trademark Licence Agreement and Business Cooperation Agreement with Beiren Group Corporation, the Contract for Leasing Part of Buildings and Premises with Beijing Jingcheng Nagano Construction Machinery Company Limited, the External Processing Agreement and the Contract for Leasing Part of Buildings and Premises with an associated company, Beijing Beiyong Casting Co. Ltd., etc., all of which are connected transactions. The above connected transactions during the reporting period strictly complied with the procedures of relevant requirements of the Company Law and Articles of Association of the Company and the terms of them are fair and reasonable. They were entered into on normal commercial terms and in the interests of the Company and the shareholders as a whole. The transaction prices are objective and fair without harming the interests of the Company and non-connected shareholders and minority shareholders. The decision is in line with our development strategy and development needs in production and operation.

During the reporting period, the Company carried out the connected transactions relating to the Material Assets Reorganisation. Pursuant to which the Company proposed to exchange all its assets and liabilities (“Outgoing Assets”) with the following assets held by Jingcheng Holding Machinery Electric Holding Co., Ltd. (“Jingcheng Holding”) (“Incoming Assets”): 71.56% equity interest in Beijing Tianhai Industry Co., Ltd (“Tianhai Industrial”), 100% interest in Jingcheng Holding (Hong Kong) Company Limited (“Jingcheng HK”) and 100% interest in Beijing Jingcheng Environmental Protection Development Co., Ltd. (“Jingcheng Environment”) (after disposal of its environmental protection business). The difference in the prices of the Outgoing Assets and Incoming Assets is to be paid in cash by the party who caused the shortfall. The Material Assets Reorganisation proposal and the signing of related agreements comply with the Company Law, Securities Law, Measures for the Administration of Material Assets Reorganisations by Listed Companies, other relevant laws and regulations and regulatory documents of the China Securities Regulatory Commission (“CSRC”). It will improve the operation of the listed company and enhance its sustainable profitability and the potential of development, and will be beneficial for the Company’s long-term development and in the interest of all shareholders of the Company.

The Material Asset Reorganisation matters were vetted at the 2013 second working conference of and unconditionally approved by the Listed Companies Merger and Reorganisation Vetting Committee of the CSRC. However, 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 Asset Reorganisation has been temporarily suspended by the CSRC. As of the date of disclosure, the Material Asset Reorganisation is still pending the vetting result of the CSRC, and there is uncertainty as to whether the Material Asset Reorganisation will be finally approved by the CSRC. The Company will timely disclose relevant information according to the progress of the Reorganisation, and investors should be aware of the risks of investment.

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## LETTER FROM THE BOARD

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### **(VII) Review of the Supervisory Committee on the Self Assessment Report on Internal Control**

The Supervisory Committee has reviewed the self assessment report on internal control of Beiren Printing Machinery Holdings Limited and considers that the internal control system of the Company is sound with effective implementation from 1 January 2012 to the end of the reporting period. The report objectively and fairly reflects the internal control of the Company and there is no disagreement on the assessment report.

All members of the Supervisory Committee attended all 10 Board of Directors' meetings and all shareholders' general meeting in the year of 2012, and during the meetings exercised supervision over whether the resolutions of the Board complied with the laws, regulations of the PRC and the Company's Articles of Association and whether in accordance with the resolutions of the general meetings as well as in the lawful interests of shareholders of the Company. The Supervisory Committee considers that the Board was strictly conscientious in carrying out their duties in accordance with the resolutions passed at the general meetings.

During the reporting period, there has been no matter needing negotiation by supervisors on behalf of the Company with the Board nor proceedings against the directors.

### **Appointment of Auditor for 2013 Financial Reports**

The Board proposes that the Company continues to appoint ShineWing Certified Public Accountants LLP as its auditor for Financial Reports for the year 2013, and to authorize the Board to enter into employment contract with it and determine its remuneration.

### **Appointment of Auditor for 2013 Internal Control Report**

The Board proposes that the Company continues to appoint BDO China Shu Lun Pan Certified Public Accounts LLP as its auditor for Internal Control Report for the year 2013, and to authorize the Board to enter into employment contract with it and determine its remuneration.

## **REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

During our tenure as Independent Non-executive Directors of Beiren Printing Machinery Holdings Limited ("the Company"), we strictly complied with laws and regulations such as the Securities Law, the Company Law, the Rules for Corporate Governance of Listed Companies and Guiding Opinions on the Establishment of Systems of Independent Directors of Listed Companies (《關於在上市公司建立獨立董事制度的指導意見》), as well as the Articles of Association and the Work system for Independent Directors. We sincerely performed our responsibilities and duties diligently and conscientiously adhering to the principle of independence, objectivity and fairness, grasped the production and management condition of the Company timely, paid close attention to the comprehensive development of the Company, proactively attended relevant meetings, carefully considered board resolutions, gave independent opinions on affairs of the Company, gave full play to the role of independent non-executive directors, secured the scientific decision-making of the Board and the regulated operation of the Company, properly ensured the standardized operations of the Company and protected the legitimate interests of shareholders, and earnestly performed our responsibilities and duties as Independent Non-executive Directors.

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## LETTER FROM THE BOARD

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We report the performance of our duties as the Independent Non-executive Directors during 2012 as follows:

### **I. Basic information about independent directors**

Zhang Shuangru (張雙儒), Chinese, male, aged 69, Independent Non-executive Director, is a senior economist graduated from Archaeology, Department of History, Peking University. Mr. Zhang has served as Deputy Director of the personnel department and Deputy Manager in China Printing Corporation (中國印刷公司). He was appointed as the chairman of China Printing Corporation, the deputy general manager of China Printing Group Corporation (中國印刷集團) and the chairman of C&C Joint Printing Co., (Beijing) Ltd. (北京華聯印刷有限公司), and presently the vice-officer of the National Technical Committee on Printing of Standardization of Administration of China (全國印刷標準化技術委員會) and managing vice-chairman of Printing Technology Association of China (中國印刷技術協會). Mr. Zhang received special subsidy from the State Council in 1994 and The Bisheng Printing Outstanding Achievement Award in 2009. Mr. Zhang was appointed as an Independent Non-executive Director of the sixth Board of Directors of the Company in 2012.

Wang Hui, Chinese nationality, female, aged 50, Independent Non-executive Director, a postdoctor, a deputy researcher. Ms. Wang was a technician and engineer of Tianjin Engineering Mechanics Institute of Department of Mechanics; Chief of Quality Control Section, Chief of Technology Department of Guangdong Shunde Zhenhua Automotive Rearview Mirror Limited of China Auto Corporation; Chief of Technology Innovation and Development and Research Center of Economic and Management College of Tsinghua University; Senior Manager of China Huarong Asset Management Corporation; Senior Business Director of Debenture Business Department, General Manager of M&A Business and Management Department, Senior Manager of Institutional Enterprise M&A and Development Strategy Department of China Securities Co., Ltd. She is now Chairman of the board and General Manager of Zhonghai Kaitian (Beijing) Asset Management Co., Ltd. (中海凱天(北京)資產管理有限責任公司). Ms. Wang was appointed as an Independent Non-executive Director of the sixth Board of Directors of the Company in 2008.

Xie Bingguang, Chinese nationality, male, aged 56, Independent Non-executive Director, LL.M., a solicitor. Mr. Xie is now Head and a senior solicitor of Beijing Hualian Law Firm, and an interceder of China International Trade Arbitration Commission and International Chamber of Commerce of China; an arbitrator of Beijing Arbitration Commission; Member of Criminal Committee of All China Lawyers Association; Member of Civil Law Affairs Committee of Beijing Municipal Lawyers Association; Member of Real Estate Affairs Committee of Beijing Municipal Lawyers Association; and Director of Beijing Law Society and Economic Society. Mr. Xie was appointed as an Independent Non-executive Director of the sixth Board of Directors of the Company in 2008.

Wang Deyu, Chinese nationality, male, aged 37, Independent Non-executive Director, MBA, a qualified Chinese Certified Public Accountant. Mr. Wang was a loan officer of Yantai branch of Bank of China; an auditor of Zeng Fu Cheng Accounting Firm in Zheng Fu Cheng Accounting Firm (曾福成會計公司) in Singapore; Special Assistant to General Manager of Yantai Wanhua Polyurethanes Co., Ltd.; Senior Consultant of BearingPoint (Shanghai) Limited; and Manager of PricewaterhouseCoopers (Beijing) Company. He is currently Financial Director of Sichuan Lessin Department Store Ltd. Mr. Wang was appointed as an Independent Non-executive Director of the sixth Board of Directors of the Company in 2008.



## LETTER FROM THE BOARD

During 2012, as the Independent Non-executive Directors of the Company, we earnestly executed our powers, performed our duties according to laws and regulations, put our role as Independent Non-executive Directors into full play, and properly ensured the standardized operations of the Company and protected the interests of shareholders as a whole, without allowing any issue to affect our independence.

### II. Attendance of Meetings

As Independent Directors, we proactively understood and obtained conditions and materials required for making decisions before the Board meetings, understood the operation of the Company in detail and made full preparation for making important decisions of the Board meetings. At the meetings, we carefully considered the resolutions, actively participated in discussions and proposed rational proposals, thereby playing a positive role in the scientific decision-making of the Board.

In 2012, the Company held 2 general meetings and 10 Board meetings (of which 6 meetings were held on-site and 4 meetings were held through communication equipment). Our attendance and votes are as follows:

#### 1. Attendance of the Board meetings

Name of director	Independent director or not	Required attendance during the year	Attendance in person	Attendance by		Absence	Absence from two consecutive meetings or not	Number of general meetings attended
				communication equipment	Attendance by proxy			
Zhang Shuangru	Yes	6	6	3	0	0	No	2
Wang Hui	Yes	10	9	4	1	0	No	2
Xie Bingguang	Yes	10	10	4	0	0	No	2
Wang Deyu	Yes	10	10	4	0	0	No	2

#### 2. Objection to the Relevant Matters of the Company

Name of director	Independent director or not	Objections raised	Details of objection	Remark
Zhang Peiwu	Yes	No	No	—
Wang Hui	Yes	No	No	—
Xie Bingguang	Yes	No	No	—
Wang Deyu	Yes	No	No	—

During 2012, the Company's committees of the Board convened three Nomination Committee meetings, three Remuneration and Monitoring Committee meetings, five Audit Committee meetings and one Strategic Committee meeting. As committee members of the Board, we attended all meetings that we should attend respectively.

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## LETTER FROM THE BOARD

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### III. Expressing independent opinions

#### 1. *Appointing General Manager and Deputy General Managers*

On 15 March 2012, we issued independent opinion on the appointment of General Manager and Deputy General Managers of the Company as follows:

According to Guiding Opinions on the Establishment of Systems of Independent Directors of Listed Companies, we expressed our independent opinion on the appointment of General Manager and Deputy General Managers of the Company at the fourth meeting of the seventh Board of Directors as follows:

- (1) After reviewing relevant materials of Chen Bangshe, Xue Kexin and Cheng Tianming such as their respective biography and work achievement, we did not find any circumstance stipulated in Article 147 of the Company Law, nor they are prohibited by the China Securities Regulatory Commission from entering the market or any restriction on entering the market not yet released. The appointment of General Manager and Deputy General Managers are legal.
- (2) The procedures for the nomination and appointment of General Manager and Deputy General Managers complied with relevant requirements of the Company Law and the Articles of Association. The procedures for the nomination and appointment of General Manager and Deputy General Managers are legal.
- (3) According to my understanding, the academic qualification, professional experience and current physical condition of Chen Bangshe, Xue Kexin and Cheng Tianming satisfy the requirement of their respective positions and duties in the Company under the appointment.
- (4) The appointment of General Manager and Deputy General Managers by the Board does not harm the interest of minority shareholders.

#### 2. *Material Assets Reorganisation and Connected Transactions Proposals*

According to relevant requirements of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (as amended in 2008) and Work system for Independent Directors, we as Independent Directors of the Company expressed the following opinion on the proposals for Material Assets Reorganisation and Connected Transactions between the Company and Jingcheng Holding Machinery Electric Holding Co., Ltd. (“Jingcheng Holding”) (“the Transaction” or the “Material Assets Reorganisation”) based on facts and independent judgement with an earnest and responsible attitude:

- (1) According to relevant requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, Jingcheng Holding, the counterparty of the Material Assets Reorganisation, is a connected corporation of the Company and the Material Assets Reorganisation constitutes a connected transaction.
- (2) The implementation of the Transaction will improve the operation of the listed company and enhance its sustainable profitability and the potential of development.

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## LETTER FROM THE BOARD

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- (3) The reorganisation proposal of the Material Assets Reorganisation and relevant framework agreements signed complied with the Company law, the Securities Law, the Measures for the Administration of Material Assets Reorganisations by Listed Companies and relevant laws and regulations and regulatory requirements of CSRC, and the reorganisation proposal is operable.
- (4) The valuer (China Faith Appraisers Co., Ltd.) has the qualification for securities business and for assessment of state-owned assets, and the valuer selection and engagement procedures complied with requirements and the valuer is fully independent.
- (5) The prices of the outgoing assets and incoming assets were determined according to the valuation result issued by a valuer with the qualification for securities and the valuation report on the outgoing assets and incoming assets have been approved by or filed with competent state-owned assets supervision and administration authorities, and there is no act undermining interests of the Company or its shareholders, especially minority shareholders.
- (6) Connected Directors have abstained from voting according to laws and regulations, and have not voted as representative of non-connected Directors. With the connected directors abstained, the six non-connected Directors participated in the voting of this resolution. The voting procedures complied with relevant laws and regulations and the Articles of Association. After voting, the Board considered and approved the Proposal for the Material Assets Reorganisation and Connected Transactions of Beiren Printing Machinery Holdings Company Limited.

### **3. *Connected Transactions***

According to relevant requirements of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (as amended in 2008) and Work system for Independent Directors, we as independent directors of the Company expressed the following opinion on the resolution relating to the connected transactions for leasing part of plants to Beiren Group Corporation (the controlling shareholder of the Company) by the Company, based on facts and independent judgement with an earnest and responsible attitude:

At the sixth meeting of the seventh Board, the resolution relating to the connected transactions for leasing part of plants to Beiren Group Corporation (the controlling shareholder of the Company) by the Company was considered in compliance with the requirements for information disclosure and decision-making procedures of the Company.

The prices of the above connected resolutions are objective, fair and reasonable and complied with relevant laws, regulations and Articles of Association.

During the consideration and voting of the resolution, connected directors Mr. Zhang Peiwu, Mr. Teng Mingzhi, Ms. Wu Dongbo, Mr. Li Shenggao and Ms. Wei Li abstained from voting. The connected transactions will not harm the interests of the Company and its shareholders, especially minority shareholders.

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## LETTER FROM THE BOARD

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#### *4. The Material Assets Reorganisation and Connected Transactions of the Company*

At the sixth meeting of the seventh Board meeting of the Company held on 5 July 2012, resolutions relating to the Material Assets Reorganisation and Connected Transactions of the Company were considered and approved, pursuant to which the Company proposed to exchange all its assets and liabilities for the following interests held by Jingcheng Holding Machinery Electric Holding Co., Ltd. (“Jingcheng Holding”): 71.56% equity interest in Beijing Tianhai Industry Co., Ltd (“Tianhai Industrial”) (Jingcheng Holding is currently taking steps to increase the registered capital of Tianhai Industrial by RMB230,000,000. Upon completion of such capital increase, Jingcheng Holding shall own approximately 88.51% equity interest in Tianhai Industrial, the equity ratio should be based on industrial and commercial registration), 100% interest in Jingcheng Holding (Hong Kong) Company Limited (“Jingcheng HK”) and 100% interest in Beijing Jingcheng Compressor Co., Ltd. (“Jingcheng Compressor”) (after disposal of its environmental protection business). Since after the above Board meeting, Jingcheng Holding increased the registered capital of Jingcheng Compressor and Tianhai Industrial by RMB29.99 million and RMB230 million respectively in cash, and that the audit report, asset valuation report and relevant profit forecast report have been issued, the Company convened the fifth extraordinary meeting of the seventh Board of Directors on 2 November 2012 to consider matters related to the Material Assets Reorganisation.

According to the Measures for the Administration of Material Assets Reorganisations by Listed Companies, the Guiding Opinions on the Establishment of Systems of Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Work system for Independent Directors, we as independent directors of the Company have carefully reviewed the relevant materials before the Board meeting and unanimously agreed, basing on facts and independent judgement with an earnest and responsible attitude, to submit the resolutions relating to the Material Assets Reorganisation to the Board meeting and expressed the following opinion:

- (1) This assets reorganisation constitutes a material assets reorganisation, and as the counterparty Jingcheng Holding of the Material Assets Reorganisation is a connected corporation of the Company, according to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Material Assets Reorganisation constitutes a connected transaction. Mr. Zhang Peiwu, Mr. Teng Mingzhi, Ms. Wu Dongbo, Mr. Li Shenggao and Ms. Wei Li as connected Directors have abstained from voting. The convening, voting procedures and methods of the Board meeting complied with the Company Law of the People’s Republic of China, the Articles of Association and relevant regulatory documents.
- (2) The implementation of the Transaction will improve the operation of the listed company and enhance its sustainable profitability and the potential of development, and will be beneficial for the Company’s long-term development and in the interest of all shareholders of the Company.
- (3) The reorganisation proposal of the Material Assets Reorganisation and relevant agreements signed complied with the Company Law, the Securities Law, the Measures for the Administration of Material Assets

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## LETTER FROM THE BOARD

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Reorganisations by Listed Companies and relevant laws and regulations and regulatory requirements of CSRC, and the reorganisation proposal is operable.

- (4) The valuer (China Faith Appraisers Co., Ltd.) has the qualification for securities business and for assessment of state-owned assets, and the valuer selection and engagement procedures complied with requirements and the valuer is fully independent. The assumptions taken in the valuation are reasonable; the selection of valuation method has fully considered the purpose of the Material Assets Reorganisation of the listed company and the actual situation of the valuation subject; the valuation methods are reasonable; and the valuation result is fair and reasonable.
- (5) The prices of the outgoing assets and incoming assets were determined according to the valuation result issued by a valuer with the qualification for securities business and the valuation report on the outgoing assets and incoming assets have been approved by or filed with competent state-owned assets supervision and administration authorities, and there is no act undermining interests of the Company or its shareholders, especially minority shareholders.
- (6) After completion of the Material Assets Reorganisation, all original assets and liabilities of the Company will be assumed by companies of the Beiren Group designated by Jingcheng Holding. The 71.56% equity interest in Tianhai Industrial (Jingcheng Holding is currently taking steps to increase the registered capital of Tianhai Industrial by RMB230,000,000. Upon completion of such capital increase, Jingcheng Holding shall own approximately 88.51% equity interest in Tianhai Industrial, the equity ratio should be based on industrial and commercial registration), 100% interest in Jingcheng HK and 100% interest in Jingcheng Compressor held by Jingcheng Holding will be injected into the Company, and the Company will become a listed company mainly engages in the sale of equipment for gas storage and transportation. There will be no business competition between the Company, its beneficial controller and the controlled entities of the beneficial controller.
- (7) Consented to the arrangements of the Board relating to the Material Assets Reorganisation and agreed to submit related resolutions to the general meeting of the Company.

#### **IV. Works on Protection of legal interests of Public Shareholders**

##### ***1. Reviewing the Material Assets Reorganisation***

On 6 April 2012, the Company was informed that Jingcheng Holding Machinery Electric Holding Co., Ltd., the controlling shareholder of the Company, was planning for a major event relating to the material assets reorganisation of the Company. During the period of reorganisation, basing on our independent judgement and professional expertise, we carefully reviewed every key point and each key issue of the reorganisation, and proactively communicate with the major shareholder and ensured that there is no act undermining interests of the Company or its shareholders, especially minority shareholders.

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## LETTER FROM THE BOARD

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### **2. *Reviewing information disclosure of the Company***

During 2012, the Company disclosed information on a truthful, accurate, timely and complete basis, in strict compliance with the Rules Governing the Listing of Stocks and the Administrative Measures for Disclosure of Information of Listed Companies.

### **3. *Investigation on corporate governance and management***

In 2012, we diligently and faithfully performed our duties as Independent Non-executive Directors of the Company, and listened to the reports of relevant personnel relating to production, operation, financial management, internal control system establishment, use of funds raised, connected transactions, etc. and investigated and obtained necessary circumstances and materials necessary for making decisions.

## **V. Other Matters**

- (1) We had not proposed to convene Board meetings;
- (2) We had not proposed to appoint or remove the accountant firms;
- (3) We had not independently engaged any external auditors and advisers.

## **VI. Overall comment and advice**

During 2012, we diligently and faithfully performed our duties as Independent Non-executive Directors and leveraged on our respective professional expertise to give advice to the Company. In 2013, we will continue to perform our duties earnestly and follow the principle of prudence, diligence and honesty; constantly enhance our learning and professional standards, strengthen communication and decision-making ability of the Board; proactively perform our duties as Independent Non-executive Directors and effectively play our role in decision-making and supervision, so as to safeguard the Company and all shareholders, especially the legitimate interest of minority shareholders and enhance the robust development of the Company and help the Company to establish a good image of being honest and trustworthy.

## **AGM**

A notice convening the AGM is set out on pages 5 to 7 of this circular.

A proxy form for use by the Shareholders at the AGM is enclosed. Whether or not you intend to attend and vote at the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less 24 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

## **VOTING BY WAY OF POLL**

Pursuant to Rules 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong (the "Listing Rules"), all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board considers that the proposals mentioned as above are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

### GENERAL

Should there be any inconsistency between the Chinese and English versions of this circular, the Chinese version shall prevail.

Yours faithfully,  
For and on behalf of the board of  
**Beiren Printing Machinery Holdings Limited**  
**Mr. Zhang Peiwu**  
*Chairman*

Beijing, PRC 11 March 2013

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## NOTICE OF 2012 ANNUAL GENERAL MEETING

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**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: 0187)**

**NOTICE IS HEREBY GIVEN** that the 2012 annual general meeting (“AGM”) of Beiren Printing Machinery Holdings Limited (the “Company”) will be convened as follows:–

**I. Basic Information of the meeting:**

1. Convenor of the meeting: the Board of Directors of the Company
2. Manner of the meeting: voting by way of poll at the meeting
3. Time of the meeting: 26 April 2013 (Friday) at 9:30 a.m.
4. Place of the meeting: Conference Room of the Company, Room 6206, No. 6 Rong Chang Dong Street, Beijing Economic and Technological Development Zone, Beijing
5. Shares registration date: 26 March 2013 (Tuesday)

**II. Ordinary Resolutions:**

1. To consider and approve the 2012 Annual Report of the Company;
2. To consider and approve the 2012 Work Report of the Board of Directors of the Company;
3. To consider and approve the 2012 Work Report of the Supervisory Committee of the Company;
4. To consider and approve the 2012 Financial Reports of the Company audited by ShineWing Certified Public Accountants LLP;
5. To consider and approve the 2012 internal control report of the Company audited by Shu Lun Pan Certified Public Accountants LLP;
6. To consider and approve the resolution of the Company not to distribute any profit for the year 2012;
7. To consider and approve re-appointment of SHINEWING Certified Public Accountants LLP for the Company's 2013 Financial Reports, and to authorise the Board of Directors to enter into employment contracts with it and determine its remuneration(5);
8. To consider and approve re-appointment of Shu Lun Pan Certified Public Accountants LLP as the Company's 2013 internal control auditor, and authorizing the Board of Directors to enter into employment contract with it and determining its remuneration.
9. To consider and approve the report of the Independent Non-executive Directors of the Company for 2012.



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## NOTICE OF 2012 ANNUAL GENERAL MEETING

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### III. Attendees of and Attendance at the AGM:

1. The directors, supervisors and senior management of the Company.
2. Shareholders of the Company (“Shareholders”) whose names appear on the register of members of the Company at the close of business on 26 March 2013 have the right to attend the AGM after completion of registration procedures.
3. Shareholders or proxies who intend to attend the AGM are requested to deliver the reply slip of attending to the Company before 5 April 2013. The reply slip may be delivered in person, by post or facsimile.
4. Holders of the Company’s H shares (“H Shares”) should note that the register of members of the Company will be closed from 26 March 2013 to 26 April 2013 (both days inclusive), during which time no H Shares transfer will be registered. For holders of H Shares who intend to attend the AGM, transfer documents together with the related share certificates must be lodged with the Hong Kong share registrar of the Company no later than 4:30 p.m. on 25 March 2013. The address is Hong Kong Registrars Limited, Room 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
5. Corporate Shareholder should attend the meeting by its legal representatives or the proxy appointed by the legal representative. Legal representative who attends the meeting should present his own identity card, evidence of shareholding and valid documents evidencing his capacity as a legal representative. While appointing proxy to attend the meeting, the proxy should present his identity card and an authorisation instrument affixed with the seal of the corporate Shareholder and duly signed by its legal representative and evidence of shareholding.
6. Each Shareholder who is entitled to attend and vote at the AGM may appoint one or more proxy(ies) who need not be a Shareholder, to attend and vote on his or her behalf at the AGM.
7. For any Shareholder who appoints more than one proxy, his or her proxies can only exercise the voting right by way of poll.
8. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney authorised in writing. If that instrument is signed by an attorney on behalf of the appointer, the power of attorney authorising that attorney to sign, or other authority, must be notarially certified. To be valid, the notarially certified copy of the power of attorney, or other authority, together with the form of proxy must be delivered to the registered address of the Company not less than 24 hours before the time appointed for the holding of the AGM.

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## NOTICE OF 2012 ANNUAL GENERAL MEETING

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IV. Other matters:

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

Contact telephone: 010-67802565

Fax: 010-67802570

Postal code: 100176

Contact person: Jiao Ruifang

The AGM is expected to last for half a day. Attendees should bear their own accommodation and travel expenses.

Yours faithfully,  
For and on behalf of the board of  
**Beiren Printing Machinery Holdings Limited**  
**Mr. Zhang Peiwu**  
*Chairman*

Beijing, PRC 11 March 2013