

Supervisory committee's report

Dear Shareholders,

On behalf of the Supervisory Committee of Beiren Printing Machinery Holdings Limited and in accordance with the Articles of Association of the Company, I would like to present to this meeting the report on the work of the Supervisory Committee for 2000 for your review.

The Supervisory Committee of the Company complied with Company Law and the Articles of Association in performing their duties for 2000.

(1) Meetings of the Supervisory Committee:

During the reporting period, five meetings were held by the Supervisory Committee and their contents were as follows:

1. On 5 April, 2000, the operations and basic financial position of the Company for 1999 were considered. The working report of the Supervisory Committee for 1999 was approved and its working plan for 2000 was discussed. Details were published in Shanghai Securities Daily in the PRC and Wen Wei Po and Hong Kong iMail in Hong Kong on 11 April, 2000.
2. On 14 June, 2000, the financial position, profitability and operation capacity of the Company in the first half of the year were analysed. Main points relating to financial examination and analysis by the Supervisory Committee in the second half of the year was discussed.
3. On 17 August, 2000, interim results and its summary for 2000 was considered and approved. Details were published on Shanghai Securities Daily in the PRC and Wen Wei Po and Hong Kong iMail in Hong Kong on 18 August, 2000.
4. On 15 September, 2000, the Supervisory Committee invited the persons in charge of finance and integrated management departments and asked them about the use of proceeds and the value retaining, adding and management of external investment projects of the Company. The above aspects were analysed.

5. On 28 November, 2000, the completion status of financial indices of the Company in the previous three quarters was analysed. Opinions and advice on the management, standardised operation and the work of the Board and the Supervisory Committee will be sought by the end of the year in order to enhance the standardised operation level of the Company.

(2) Work of the Supervisory Committee:

During the reporting period, the Supervisory Committee strengthened its examination of the finance of the Company. It specifically consulted about external investment projects of the Company and value-adding of assets in respect of the operation of the Company. It strengthened the analysis on information including finance and made suggestions to solve existing problems. During the reporting period, the Supervisory Committee sought opinions widely on the standardised operation of the Company and the performance of senior management and made suggestions to the Company. During the reporting period, supervisors were present at the Board meetings of the Company and actively participated in significant decisions of the Company.

(3) According to the Company Law and the Articles of Association of the Company

The Supervisory Committee monitored the lawful operation of the Company and the performance of Board members and senior management of the Company in compliance with the law and Articles of Association of the Company. The Supervisory Committee considered that the Company stuck to its development strategies in 2000 and worked heavily on the development of new products, capital operation and system reform and achieved a better result. Directors and the senior management did not disobey the law and the Articles of Association in performing their duties. The financial report prepared by the Company truly reflected the financial position and operation results of the Company. For capital operation and related party transactions, there was no harm to the interest of shareholders and the Company.

Chairman of Supervisory Committee
of Beiren Printing Machinery Holdings Limited
Xiao Mao Lin

22 February, 2001