

# 董事會工作報告

## BOARD OF DIRECTORS' REPORT

### 一、報告期內董事會的會議情況及決議內容

本報告期內公司共召開8次董事會會議，會議情況及決議內容如下：

#### 1、第一次董事會於2003年3月3日召開，主要內容：

- (1) 決定終止北京北人印機運輸公司的各項活動，對北京北人印機運輸公司進行清算並辦理公司註銷手續；
- (2) 由於公司流動資金緊張，決定向銀行貸款玖仟萬元（以前貸款已全部清還）。

#### 2、第二次董事會於2003年4月10日召開，主要內容：

- (1) 審議通過了公司中2002年年度報告正文及摘要；
- (2) 審議通過了公司2002年年度董事會工作報告；
- (3) 審議通過了總經理工作報告；
- (4) 審議通過了公司2002年年度經審計的財務報告；
- (5) 審議通過了公司續聘德勤華永會計師事務所和香港德勤•關黃陳方會計師行分別為本公司2003年度境內外核數師的議案；
- (6) 審議通過了公司2002年度利潤分配方案；
- (7) 審議了公司未選定增補獨立非執行董事候選人的議案；
- (8) 審議公司章程修改議案；

### I. BOARD OF DIRECTORS' REPORT

During the reporting period, the Company convened 8 meetings of the Board of Directors. Details of the meetings and resolutions are as follows:

#### 1. The first Board of Directors' meeting was held on 3 March 2003, the major points were as follows:

- (a) Resolved to terminate all of the activities of Beijing Beiren Printing Machinery Transportation Company, and proceeded with liquidation process and completed the procedures for cancellation of its registration;
- (b) Due to insufficient working capital, it was resolved to advance a loan from bank in the sum of Rmb90,000,000 (all the previous loans had been repaid).

#### 2. The second Board of Directors' meeting was held on 10 March 2003, the major points were as follows:

- (a) The 2002 Annual Report of the Company and its summary were considered and approved;
- (b) The 2002 Board of Directors' Working Report of the Company was considered and approved;
- (c) The General Manager's Working Report was considered and approved;
- (d) The 2002 audited Financial Statements of the Company was considered and approved;
- (e) The motion to reappoint Deloitte Touche Tohmatsu, Certified Public Accountants, and Deloitte Touche Tohmatsu, Certified Public Accountants of Hong Kong as the domestic and overseas auditors of the Company respectively in 2003 was considered and approved;
- (f) The 2002 profit distribution proposal of the Company was considered and approved;
- (g) The motion of adding an undecided candidate for independent non-executive director was considered;
- (h) The resolution in relation to amendments to the Company's Articles of Association;

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(9) 審議通過了董事會四個委員會的建議；

(10) 審議通過了本公司為進一步規範管理與子公司、分支機構簽署承諾協議的議案；

(11) 審議通過了2003年子公司改革發展方案；

(12) 審議通過了召開2002年年度股東大會議案。

此次會議內容於2003年4月11日刊登在《上海證券報》、《香港經濟日報》、《英文虎報》上。

#### 3、第三次董事會於2003年4月24日召開，主要內容：

(1) 審議通過了本公司2003年第一季度報告；

(2) 在董事會休會期間，由朱武安、王國華、戎佩敏三名執行董事，組成董事會執行委員會；

(3) 為不斷完善企業激勵機制，根據董事、監事、高管人員在公司承擔的責任、工作時間、內容、業績的貢獻確定入保方式及金額；

(4) 為開拓國際市場，董事會決定準備參股中國北人（曼谷）印刷機械有限公司，持有其10%的股份，在泰國曼谷註冊登記，作為產品出口東亞的銷售、服務基地；

(5) 董事會決定參股北京北瀛鑄造有限責任公司，投資113.6萬元，持有其20%的股份。

(i) The proposals by the four committees of the Board of Directors were considered and approved;

(j) The proposal of further regulating and monitoring the signing of undertakings by the Company with its subsidiaries and associated institutions was considered and approved;

(k) The proposal on revamping the development of the Company's subsidiaries was considered and approved;

(l) The resolution in relation to the convening of the Annual General Meeting for 2002 was considered and approved.

On 11 April 2003, the Company published the details of this meeting in the Shanghai Securities Daily, Hong Kong Economic Times and The Standard (an English newspaper).

#### 3. The 3rd Board of Directors' meeting was held on 24 April 2003. The major points were as follows:

(a) The Company's first quarterly report for 2003 was considered and approved;

(b) During the adjournment of the Board meeting, three executive directors Zhu Wuan, Wang Guohua and Rong Peimin formed the Execution Committee of the Board;

(c) In order to continue to refine the corporate incentive system, the Company resolved to determine to effect insurance and the amount of insurance premiums accordance to the obligations undertaken, working hours, duties and contributions of the directors, supervisors and senior management to the Company;

(d) In order to expand to the international market, the Board of Directors resolved to invest in China Beiren (Bangkok) Printing Machinery Company Limited by holding 10% of the shares in such company, which was registered in Bangkok, Thailand to serve as a base for exporting self-produced products and services to the southeast Asia;

(e) The Board of Directors resolved to invest Rmb1,136,000 in Beijing Beiyong Printing and Casting Company Limited to hold 20% equity interest therein.

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4、第四次董事會於2003年6月16日召開，主要內容：

董事會決定將原北人股份公司單雙色膠印機製造分公司、多色膠印機製造分公司合併組建北人印刷機械股份有限公司單張紙膠印機分公司。

5、第五次董事會於2003年8月12日召開，會議內容：

(1) 董事會決定將公司機構進行調整。

(2) 將原北人印刷機械股份有限公司第四印刷機械廠更名為北人印刷機械股份有限公司捲筒紙膠印機製造分公司。

6、第六次董事會於2003年8月21日召開，會議內容：

審議通過了公司2003年半年度報告及摘要。

7、第七次董事會於2003年9月29日以通訊方式召開，會議內容：

(1) 審議通過了《投資者關係管理規定》；

(2) 審議通過了《信息披露管理制度》。

8、第八次董事會於2003年10月23日召開，會議內容：

(1) 審議通過了公司2003年第三季度報告；

(2) 審議通過了關閉北京北人印刷機備件廠；

(3) 聽取了綜合部長關於海門北人股權變更及整體搬遷工作的匯報。

4. The 4th Board of Directors' meeting was held on 16 June 2003. The main point was as follows:

The Board of Directors resolved to merge 北人股份公司單雙色膠印機製造分公司 (Beiren Company - Single and Double Colour Offset Press Manufacturing and Multi-Colour Offset Press Manufacturing Branch) to form 北人印刷機械股份有限公司 (Beiren Printing Machinery Holdings Limited - Single Paper Offset Press Branch).

5. The 5th Board of Directors' meeting was held on 12 August 2003. The main points were as follows:

(a) The Board of Directors resolved to revamp the corporate structure of the Company.

(b) The company name of 北人印刷機械股份有限公司第四印刷機械廠 (Beiren Printing Machinery Holdings Limited - No. 4 Printing Machinery Factory) has been changed to 北人印刷機械股份有限公司捲筒紙膠印機製造分公司 (Beiren Printing Machinery Holdings Limited - Rolling Paper Offset Press Manufacturing Branch).

6. The 6th Board of Directors' meeting was held on 21 August 2003. The main point was as follows:

The 2003 interim report of the Company and its summary were considered and approved.

7. The 7th Board of Directors' meeting was held 29 September 2003 by means of written communications. The main points were as follows:

(a) The Stipulations on Management of Investor Relations were considered and approved;

(b) The Information Disclosure System was considered and approved.

8. The 8th Board of Directors' meeting was held on 23 October 2003. The main points were as follows:

(a) The Company's 3rd quarterly report of 2003 was considered and approved;

(b) The closure of Beijing Beiren Printing Machinery Accessories Factory was considered and approved;

(c) The report on the change in shareholding in Haimen Beiren and its removal progress by the Head of the Composite Division was listened to.



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### 二、董事會對股東大會決議的執行情況

本公司於2003年6月12日召開了2002年年度股東大會，根據本次股東大會的決議，在報告期內董事會執行了如下事項：

- 1、公司2002年年度股東大會審議通過了公司2002年度利潤分配方案，該利潤分配方案已實施。並分別於2003年6月13日和2003年7月21日在《上海證券報》、《香港經濟日報》、《英文虎報》上刊登了2002年度H股、A股派息公告，紅利發放日為2003年7月31日，每股稅前紅利金額為人民幣0.10元。
- 2、對於公司2002年年度股東大會通過的其他事項，公司董事會已按股東大會的決議執行。

### 三、本次利潤分配預案或資本公積金轉增股本預案

公司2003年度按中國會計準則編制實現淨利潤8,204.78萬元，根據《公司章程》規定，按10%提取法定公積金1,072.36萬元，按10%提取法定公益金856.73萬元，加年初未分配利潤3,170.28萬元，實際可供股東分配的利潤9,445.98萬元。根據公司2004年3月30日董事會決定，公司按已發行之股份42,200萬股（每股面值為人民幣1元計算）擬以每10股向全體股東派發現金紅利人民幣0.8元（含稅），共計派發人民幣3,376萬元，剩餘6,069.98萬元利潤留待以後年度分配。公司2003年度按香港公認會計原則編制實現淨利潤9,614.8萬元，提取法定公積金、公益金、儲備基金、企業發展基金1,929萬元後，加年初未分配利潤4,847.0萬元，實際可供股東分配的利潤12,532.8萬元。由於境內外可供分配的利潤均高於擬分派現金紅利3,376.0萬元，故符合利潤分配方案。2003年度公司不進行資本公積金轉增股本。此分配預案，將提請2003年年度股東大會審議批准。

### II. IMPLEMENTATION OF THE RESOLUTIONS OF THE ANNUAL GENERAL MEETING BY THE BOARD OF DIRECTORS

The 2002 Annual General Meeting of the Company was held on 12 June 2003. By virtue of the resolutions passed at this annual general meeting, the Board of Directors implemented the following during the reporting period;

1. The 2002 Profit Distribution Plan of the Company was considered and approved at the 2002 Annual General Meeting and such profit distribution plan was implemented. The announcements in relation to the distribution of dividends for A shares and H shares were published in Shanghai Securities Daily, Hong Kong Economic Times and The Standard on 13 June 2003 and 21 July 2003 respectively. The date for distribution of dividends was 31 July 2003 and the pre-tax cash dividend per share was Rmb0.10.
2. The Board of Directors has implemented all the other matters which were passed at the 2002 Annual General Meeting of the Company in accordance with the resolutions so passed.

### III. PROFIT DISTRIBUTION PLAN OR THE PLAN TO CONVERT SURPLUS RESERVES INTO SHARE CAPITAL

The Company recorded a net profit of Rmb82,047,800 for 2003 calculated according to the PRC Accounting Standards. In accordance with the provisions of the Company's Articles of Association, 10% amounting to Rmb10,723,600 was contributed to the statutory surplus fund and Rmb8,567,300 was contributed to the statutory public welfare fund. Together with the undistributed profit of Rmb31,702,800 at the beginning of the year, profit distributable to shareholders amounted to Rmb94,459,800. Pursuant to a Board resolution passed on 30 March 2004 and based on 422,000,000 shares (of par value Rmb1.00 each) in issue, the Company proposed to carry out distribution of a cash dividend of Rmb1.00 (inclusive of tax), totalling Rmb33,760,000, to all shareholders for every 10 shares held, and the balance of profit amounting to Rmb60,699,800 will be retained for distribution in the subsequent years. The Company recorded a net profit of Rmb96,148,000 for 2003 calculated according to the accounting principles generally accepted in Hong Kong. After contribution of approximately Rmb19,290,000 to the statutory surplus fund, the statutory public welfare fund, the general reserve fund and enterprise expansion fund together with the undistributed profit of approximately Rmb48,470,000 at the beginning of the year, profit distributable to shareholders amounted to approximately Rmb125,328,000. As the amounts of profit distributable to domestic and overseas shareholders are more than the proposed cash dividends of Rmb33,760,000, they were in compliance with the profit distribution plan. There will be no increase in the Company's share capital converting from capital reserve for the year 2003. This distribution proposal will be proposed at the 2003 Annual General Meeting for approval.

#### 四、固定資產

本年度內固定資產之變動情況載列於根據香港公認會計準則編製之帳目及根據中國會計準則編製之會計報表附註。

#### 五、在建工程

本年度內在建工程之資料及變動情況載列於根據香港公認會計準則編製之帳目及根據中國會計準則編製之會計報表附註。

#### 六、附屬公司投資

有關附屬公司之資料載列於根據香港公認會計準則編製之帳目。

#### 七、聯營公司權益

有關聯營公司之資料載列於根據香港公認會計準則編製之帳目。

#### 八、其他資產

有關其他資產之資料載列於根據香港公認會計準則編製之帳目。

#### 九、儲備

本年度內儲備之變動情況載列於根據香港公認會計準則編製之帳目及根據中國會計準則編製之會計報表附註。

#### 十、銀行貸款

於2003年12月31日之銀行貸款情況載列於根據中國會計準則編製之會計報表附註。

#### IV. FIXED ASSET

Movements in fixed assets for the year are set out in the notes to the financial statements prepared under PRC accounting standards and note to financial statements prepared under accounting principles generally accepted in Hong Kong.

#### V. CONSTRUCTION IN PROGRESS

Particulars and movements in construction-in-progress for the year are set out in the notes to the financial statements prepared under PRC accounting standards and in the financial statements prepared under accounting principles generally accepted in Hong Kong.

#### VI. INVESTMENTS IN SUBSIDIARIES

Particulars of subsidiaries are set out in the financial statements prepared under accounting principles generally accepted in Hong Kong.

#### VII. INTERESTS IN ASSOCIATES

Particulars of associates are set out in the financial statements prepared under accounting principles generally accepted in Hong Kong.

#### VIII. OTHER ASSETS

Particulars of other assets are set out in the financial statements prepared under accounting principles generally accepted in Hong Kong.

#### IX. RESERVES

Movements in reserves for the year are set out in the financial statements prepared under accounting principles generally accepted in Hong Kong and in the notes to the financial statements prepared under PRC accounting standards.

#### X. BANK LOANS

Bank loans as at 31 December 2003 are set out in the notes to the financial statements prepared under PRC accounting standards.

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### 十一、公司退休金計劃

本公司按照《國務院關於企業職工養老保險制度改革的決定》的有關規定，需繳付中國政府相等於工資總額的20%的費用，作為員工基本養老保險金。2003年度基本養老保險金總支出人民幣1,648.24萬元。除上述費用外，本公司並無其他有關退休金的承擔或責任。

### 十二、關聯交易

- (1) 本年度之關聯交易詳情載列於根據香港公認會計準則編製之帳目附註及根據中國會計準則編製之會計報表附註。
- (2) 各獨立非執行董事確認所有關聯交易是按一般商業條款在本公司有關成員公司之日常及一般業務中進行，有關條款均為正常商業條款或不差於提供予第三者之優惠條款，並對本公司股東而言乃屬公平及合理。

### 十三、最佳應用守則

本公司於報告期內均遵守香港聯合交易所有限公司證券上市規則（上市規則）附錄十四所載列之最佳應用守則。

### XI. THE COMPANY'S PENSION PLANS

In accordance with the relevant regulations to the State Council's Decisions Regarding Reform of the System for Employment Retirement Insurance, the Company is required to pay to the Chinese government an amount equivalent to 20% of total amount of wages for the Basic Employment Retirement Insurance Scheme. In 2003, a total amount of Rmb16,482,400 was expensed to the Basic Employment Retirement Insurance Scheme. Apart from expenses on the above expenditure, the Company has no other commitments or responsibilities related to pensions.

### XII. CONNECTED TRANSACTIONS

- (1) Please refer to the notes to the financial statements prepared under accounting principles generally accepted in Hong Kong and the notes to the accounting statements prepared under PRC accounting standards for the particulars of connected transactions during the year.
- (2) Each of the independent non-executive directors confirmed that all the connected transactions were carried out at an arm's length basis for all daily and general business dealings for the Group and its member companies. All the terms were either normal business terms or were not less favourable than the preferential treatments given to third parties, and were fair and reasonable for Company's shareholders.

### XIII. CODE OF BEST PRACTICE

The Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the reporting period.



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### 十四、員工住房

本公司2003年年度未出售公有住房予職工。收回購房款79.81萬元，其賬務處理是將出售公有住房的成本減去收回購房款的差額計入當期損益。公司按照國家規定為現有員工按上年月平均工資總額的8%繳納住房公積金，對公司的業績並無重大影響。根據北京市人民政府房改辦公室，北京市財政局，北京市國土資源和房屋管理局，北京市物價局(2000)京房改辦字第080號《關於北京市提高公有住房租金，增發補貼有關問題的通知》的精神，本公司結合實際情況，對公司員工自2000年4月1日發放每月70-80元住房租金補貼。

### 十五、股東周年大會

董事會設股東周年大會召開之日為2004年5月24日。

### 十六、公司2003年度選定的信息披露報紙為《上海證券報》、《香港經濟日報》、《英文虎報》。

### 十七、業績公佈

本公司業績報告內容刊登於香港聯合交易所有限公司網頁上。

### XIV. STAFF QUARTERS

The Company sold public housing flats to staff at the end of 2003. The Company collected Rmb798,100 as purchase prices for housing, which was stated in the income statement by including the difference between the costs for the disposal of the public housing and the amount collected as purchase prices therefor. In accordance with the policy of the State, the Company contributed to the public housing fund on the basis of 8% of the average monthly salary of the existing employees for the previous year, which did not have any significant impact on the Company's results. In accordance with the notice to increase rents of public housing in Beijing and the allowances issued by the Housing Reform Office of Beijing Municipal Government, Beijing Financial Bureau, Beijing State Land and Property Management Bureau and taking into account the Company's specific situation, the Company provided to staff Rmb70-80 per month as a housing allowance from 1 April 2000.

### XV. ANNUAL GENERAL MEETINGS

The Board of Directors has fixed the date of Annual General Meeting at 24 May 2004.

### XVI. IN 2003, THE COMPANY DESIGNATED THE FOLLOWING NEWSPAPERS FOR DISCLOSURE OF INFORMATION: SHANGHAI SECURITIES DAILY, HONG KONG ECONOMIC TIMES AND THE STANDARD.

### XVII. ANNOUNCEMENT OF RESULTS

The results of the Company are published on the website of The Stock Exchange of Hong Kong Limited.

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### 十八、與關聯方資金往來及對外擔保及履行

截至報告期末，本公司及其子公司、聯營公司沒有發生對外的擔保事項。

#### 1、 註冊會計師對公司控股股東及其它關聯方佔用資金情況的專項說明

關於北人印刷機械股份有限公司控股股東及其他關聯方資金佔用情況的專項說明

北人印刷機械股份有限公司董事會：

我們接受委託，依據《中國註冊會計師獨立審計準則》審計了北人印刷機械股份有限公司（「貴公司」）2003年12月31日的資產負債表及2003年度利潤及利潤分配表和現金流量表，並於2004年3月30日簽發了德師京審字（04）第056號無保留意見的審計報告。

根據中國證監會、國務院國資委《關於規範上市公司與關聯方資金往來及上市公司對外擔保若干問題的通知》的要求，貴公司編製了後附的截至2003年12月31日貴公司資金佔用情況調查表（以下簡稱「調查表」）

如實編製和對外披露調查表並確保其真實性、合法性及完整性是貴公司的責任。我們對調查表所載資料與我所審計貴公司2003年度財務報告時所復

### XVII. CAPITAL FLOW WITH CONNECTED PARTIES AND EXTERNAL GUARANTEE AND IMPLEMENTATION THEREOF

None of the Company, its subsidiaries or associated companies has provided guarantee for any external parties as at the end of the reporting period.

#### 1. Special statement issued by the certified public accountant in relation to the use of capital by the Company's controlling shareholders and other connected parties

Special statement in relation to the use of capital by controlling shareholders and other connected parties of Beiren Printing Machinery Holdings Limited

To the board of directors of Beiren Printing Machinery Holdings Limited:

We have been appointed to carry out the audit of the accompanying balance sheet of Beiren Printing Machinery Holdings Limited (the "Company") as of 31 December 2003 and the related statements of income, profits appropriation and cash flows of the Company for the year of 2003 in accordance with Independent Auditing Standards for Chinese Certified Public Accountants, and have issued the De Shi Jing Shen Zi (04) No.56 unqualified opinion audited report on 30 March 2004.

In accordance with the requirement of the Notice in relation to issues of the regulation of cash flow between listed companies and connected parties, and external guarantees of listed companies as issued by China Securities Regulatory Commission and State-owned Assets Supervision and Administration Commission of the State Council, the Company prepared an investigation table ("investigation table") regarding the use of capital by the Company as of 31 December 2003 as shown in the attachment of this document.

To truthfully prepare and disclose the investigation table and to ensure its truthfulness, legality and completeness are the responsibility of the Company. We have cross examined the information set out in the investigation table as well as those related



## 董事會工作報告 BOARD OF DIRECTORS' REPORT

核的會計資料和經審計的財務報告的相關內容進行了核對，在所有重大方面沒有發現不一致。除了對貴公司實施2003年度會計報表審計中所執行的對關聯方交易有關的審計程序外，我們並未對調查表所載資料執行額外的審計程序

本函僅作為貴公司向中國證監會呈報2003年度控股股東及其他關聯方資金佔用情況之用，未經本所書面同意，不得用作任何其他目的。

**德勤華永會計師  
事務所有限公司**

2004年3月30日

contents of the accounting information as set out in the financial statements of the Company for the year of 2003 as reviewed by us. We found no inconsistencies therein in all material respects. Save as the relevant auditing procedures conducted in relation to the connected parties transactions with respect to the auditing of accounting statement of 2003 for the Company, we have not undertaken any additional auditing procedures for the information set out in the investigation table.

This letter is solely for the purpose of presentation to China Securities Regulatory Commission by the Company regarding the use of capital of controlling shareholder and other connected parties of the Company for the year of 2003. It shall not be used for other purposes without our written consent.

**Deloitte Touche Tohmatsu Certified  
Public Accountants**

30 March 2004

# 董事會工作報告

## BOARD OF DIRECTORS' REPORT

### 北人印刷機械股份有限公司 資金佔用情況調查表

截至2003年12月31日

### BEIREN PRINTING MACHINERY HOLDINGS LIMITED STATEMENT ON THE APPLICATION OF FUNDS

As at 31 December 2003

資金佔用情況	關聯方名稱	關聯關係	本年發生 金額 人民幣萬元 Amount incurred for the year Rmb0'000	會計科目	年末餘額 人民幣萬元 Balance at end of year Rmb0'000	備註
Application of funds	Name of related parties	Relationship with the Company		Accounting item		Remarks
拆借資金	—	—	—	—	—	—
Funds for lending						
委託貸款	—	—	—	—	—	—
Designated loans						
委託關聯方進行投資	—	—	—	—	—	—
Designated investment by related parties						
開具沒有真實交易的 商業承兌匯票	—	—	—	—	—	—
Issue of commercial bank draft without genuine transaction						
代為償還債務	—	—	—	—	—	—
Repayment of loans on its behalf						
其他	北人集團公司	控股股東	14,940.70	其他應收款	2,841.00	尚未收到的 搬遷補償金
Others	Beiren Group Corporation	Controlling shareholder		Other accounts		Compensation not yet received for removal receivable
	北京北人太和印機鑄造廠 Beijing Beiren Taihe Printing and Casting Factory	子公司 Subsidiary		其他應收款 Other accounts receivable	286.00	墊付費用 Payments on its behalf for acquisition
	北京北人印刷機備件廠 Beijing Beiren Printing Machinery Accessories Printing Factory	子公司 Subsidiary		其他應收款 Other accounts receivable	613.00	墊付費用 Payments on its behalf

此表已於2004年3月30日獲董事會批准。

The statement was approved by the board of directors on 30 March 2004.

## 董事會工作報告 BOARD OF DIRECTORS' REPORT

### 2、 獨立董事關於公司對外擔保情況的專項說明及獨立意見

根據中國證監會發2003(56)號《關於規範上市公司與關聯方資金往來及上市公司對外擔保若干問題的通知》精神，我們作為北人印刷機械股份有限公司(以下簡稱「公司」)之獨立非執行董事，本著實事求是的態度對公司對外擔保的情況進行了認真負責的核查和落實，現就有關情況說明如下：經我們充分瞭解和查驗，公司嚴格遵守《公司章程》的有關規定，規範公司的對外擔保行為，並能嚴格控制對外擔保風險。至今，公司不存在為控股股東及本公司持股50%以下的其他關聯方、任何非法人單位或個人提供擔保，控股股東及其他關聯方也未強制公司為他人提供擔保。截至2003年12月31日，公司不存在任何對外擔保情形。

### 2. Independent directors' special statement and independent opinion to the Company's external guarantee

Based on the document Zheng Hui Fa 2003 No. (56) "Notice in relation to the capital flow between the listed companies and connected parties, certain issues in relation to the external guarantees of listed companies" issued by China Securities Regulatory Commission, we, as the independent directors of Beiren Printing Machinery Holdings Limited (the "Company"), are practical and realistic in carrying out cautious examination on the Company's external guarantee. Details of which are as follows:

Upon sufficient learning and investigation, the Company is in strict compliance with the relevant provisions of the Company's Article of Association and in regulating its acts on external guarantee, and is able to strictly control the risks arising from external guarantee. Up to date, the Company has not provided any guarantee to its controlling shareholders, nor has it provided any external guarantee in any form to any other connected parties with shareholdings below 50%, or non-legal units or individuals. The controlling shareholders and other connected parties did not coerce the Company to provide guarantee for any external parties. As at 31 December 2003, the Company has not provided any external guarantee in any form.