

III. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(1) Movements in shareholdings of the Directors, supervisors and senior management in the Company during the reporting period:

Name	Position	Shareholding	
		at the beginning of the reporting period	at the end of the reporting period
Zhu Wuan	Chairman & CEO	5,760	5,760
Lu Changan	Vice-chairman	4,800	4,800
Wang Guohua	Executive Director and General Manager	1,200	1,200
Pang Liandong	Director	4,100	4,100
Yu Baogui	Director	4,200	4,200
Rong Peimin	Executive Director and Company Secretary	0	0
Qi Shenglin	Director	0	0
Wu Wenxiang	Independent Director	0	0
Li Yijing	Independent Director	0	0
Zhou Xiaoming	Independent Director	0	0
Hu Kuangyou	Independent Director	0	0
Xiao Maolin	Chairman of the Supervisory Committee	0	0
Xue Kexin	Supervisor	0	0
Tian Furen	Supervisor	4,100	4,100
Guo Ning	Deputy General Manager	0	0
Wang Wenyuan	Deputy General Manager	0	0
Yang Zhendong	Chief Engineer	0	0

Notes:

- (i) Save as disclosed above, none of the Directors, supervisors and senior management of the Company, as at 30 June 2004, had any interest or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register which were required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.
- (ii) None of the Directors, supervisors and senior management of the Company or the 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 2004.
- (iii) 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 did not engage in any arrangement which would enable the directors or supervisors of the Company of their respective associates to acquire any interest in any shares or debt securities of the Company by the purchase of any other corporation, nor did the directors or supervisors had any interest which was required to be recorded in the register under section 352 of the SFO.

(2) New appointment or dismissal of Director, supervisor and senior management of the Company during the reporting period

The adding of Mr. Wu Wenxiang as an independent director of the Company was considered and approved at the Company's 2003 Annual General Meeting held on 24 May 2004.

(IV) MANAGEMENT DISCUSSIONS AND ANALYSIS

(1) Discussion and analysis of operations during the reporting period

1. During the reporting period, the Company's revenue from principal operation amounted to Rmb524,784,900 in accordance with PRC accounting standard, representing an increase of 13.79% over the corresponding period last year. Its net profit amounted to Rmb58,999,700, representing an increase of 8.68% as compared with the corresponding period last year. Turnover amounted to Rmb549,682,000 in accordance with Hong Kong accounting standard, representing an increase of 5.18% as compared with the corresponding period last year. The net profit amounted to Rmb61,496,000, representing an increase of 4.53% over the same period last year.
2. The Company participated the International Printing Machines 德魯巴 Exhibition held every four years in Germany in May this year. Beiren 300 two ply high end multi-color presses (對開高檔多色機) has passed the German certification "CE". Beiren 300 two ply high end multi-color presses (對開高檔多色機) and Beiren 200 four ply multi high end presses (四開高檔多色機) has reached the European "CE" standard. During the exhibition, products of "Beiren" has aroused the extensive interest and praise among overseas' counterparts and customers, demonstrating the Company's capability in design and manufacture. It laid a necessary foundation for the Company to build international joint venture and co-operative relationship, and establish international sales network, which realise the Company's "export strategy".
3. By making use of market demand and technological improvement as direction to speed up the product development process. In the first half of the year, the Company developed the 578 high end rolling printers (捲筒高檔印報機) and N394 rolling paper commercial printer (捲筒紙商業印刷機) that are internationally demanded. The Company finished the testing and passed certification of the new product N404 flat sheet. These new products will bring about enormous revenue for the company.