

- (2) Balance with related party at the balance sheet date

	<b>30 June 2006</b> <i>RMB'000</i>	31 December 2005 <i>RMB'000</i>
Amount due from associates	<b>31,497</b>	37,344
Amount due to minority shareholders of subsidiaries	<b>4,026</b>	4,133
Amount due to associates	<b>3,598</b>	3,242

Included in borrowings at the balance sheet date, an amount of RMB34,000,000 (2005: RMB35,000,000) is guaranteed by BGC.

- (3) Transactions/balances with other state-controlled entities in the PRC

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government ("state-controlled entities"). In addition, the Group itself is part of the larger group of BGC, which is ultimately controlled by the PRC government. Apart from the transactions with BGC and its subsidiaries disclosed in section (1) above, the Group also conducts businesses with other state-controlled entities. The directors consider those state-controlled entities are independent third parties so far as the Group's business transactions with them are concerned.

Material transactions/balances with other state-controlled entities are as follow:

	<b>Six months ended</b>	
	<b>2006</b> <i>RMB'000</i>	2005 <i>RMB'000</i>
Trade sales	<b>44,465</b>	30,584
Trade purchase	<b>22,038</b>	16,569
	<b>30 June 2006</b> <i>RMB'000</i>	31 December 2005 <i>RMB'000</i>
Trade balance due from other state-controlled entities	<b>34,584</b>	37,763
Trade balance due to other state-controlled entities	<b>12,150</b>	13,125

In addition, the Group has entered into various transactions, including utilities services and surcharges / taxes charged by the PRC government, and deposits and borrowings and other general banking facilities with certain banks and financial institutions which are state-controlled entities in its ordinary course of business. In view of the nature of these transactions, the directors are of the opinion that separate disclosure would not be meaningful.

Except as disclosed above, the directors are of the opinion that transactions with other state-controlled entities are not significant to the Group's operations.

- (4) 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 RMB510,000 (2005: RMB437,000).

## VIII. DOCUMENTS AVAILABLE FOR INSPECTION

- (I) Text of the interim report signed by the Chairman;
- (II) The financial statements signed and sealed by the legal representative and the chief accountant of the Company and the head of accountants;
- (III) Text of the Articles of Association;
- (IV) Texts of all documents disclosed in Shanghai Securities News, Hong Kong Economic Times and The Standard during the reporting period.

The above documents are available for inspection at the Company's Secretary Office, No.6 Rong Chang Dong Street, Beijing Economic and Development Technological Zone, Beijing, the PRC.

**Beiren Printing Machinery Holdings Limited**  
**Zhu Wuan**  
*Chairman*

24 August 2006