

DALIAN REFRIGERATION CO., LTD. 2014 SEMIANNUAL REPORT SUMMARY

§1 Important Notes

(1) This summary is extracted from the original of the semiannual report, which is disclosed on the Internet (<http://www.cninfo.com.cn>). For more information, the investors are recommended to refer to the original.

This report is written respectively in Chinese and in English. In the event of any discrepancy between the two above-mentioned versions, the Chinese version shall prevail.

(2) Company Profile

Short form of the stock	DALENG GUFEN; DALENG-B	
Stock code	000530; 200530	
Listed stock exchange	Shenzhen Stock Exchange	
	Secretary of the Board of Directors	Authorized representative in charge of securities affairs
Name	Mr. Song Wenbao	Mr. Song Wenbao(proxy)
Contact address	Securities Department of Dalian Refrigeration Co., Ltd.	Securities Department of Dalian Refrigeration Co., Ltd.
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§2 Major Accounting Data and Particulars about Shareholders

(1) Summary of the accounting data and indexes

Did the Company retroactively adjust or restate the accounting data of previous years due to change in the accounting policy and correction of accounting mistakes?

☐ Yes ☒ No

Summary of the accounting data	Report period (from Jan. through Jun.)	Same period in the last year	Increase/decrease compared with the same period of the last year
Operating revenue	774,912,253.19	792,124,153.23	-2.17%
Net profit attributable to shareholders of listed companies	66,477,633.28	65,122,435.00	2.08%
Net profit belonging to the shareholders of listed companies after the deduction of non-recurring profit and loss	63,794,559.91	62,382,278.37	2.26%
Net cash flow from operating activities	-2,594,386.46	3,743,258.07	-169.31%
Basic earning per share	0.19	0.19	0.00%
Diluted earnings per share	0.19	0.19	0.00%
Weighted average return on net asset yield	3.49%	3.61%	Decrease 0.12 percentage points
	End of this report period	End of last year	Increase/decrease compared with the end of last year
Total assets	3,013,042,235.25	2,967,390,234.89	1.54%
Owner's equity attributable to shareholders of listed companies	1,920,859,529.62	1,907,018,190.46	0.73%

(2) Particulars about the shares held by the top ten shareholders

Unit: share

Total number of shareholders in the reporting period		38,737			
Shareholding of top ten shareholders					
Name	Nature	Proportion	Total number	Number of shares with sale restriction	Number of pledged shares or shares frozen
Dalian Bingshan Group Co., Ltd.	Domestic non-state-owned legal person	21.96%	76,855,683	19,213,921	
Sanyo Electric Co., Ltd.	Overseas legal person	10.00%	35,001,500	0	
Penghua China 50 Open-End Securities Investment Fund	Others	1.95%	6,799,927	0	
Zhong Chuan Finance Co., Ltd.	State-owned legal person	1.43%	5,000,084	0	
SSF Portfolio 404	Others	1.32%	4,599,985	0	
Penghua Motivity Growth Mixed Securities Investment Fund	Others	1.19%	4,143,401	0	
BOCI Securities Limited	Overseas legal person	0.94%	3,270,654	0	
Zhongrong International Trust Co., Ltd. - Huixin Securities Investment Sheet 1 - Fund Trust	Others	0.74%	2,577,311	0	
Jiang Youchang	Domestic natural person	0.62%	2,139,575	0	
Morgan Stanley Huaxin Advantage Growth Stock Fund	Others	0.59%	2,066,300	0	
Notes to the associated relationship and uniform actions of the above shareholders		Dalian Bingshan Group Co., Ltd. had the association relationship with Sanyo Electric Co., Ltd. among the above shareholders. Sanyo Electric Co., Ltd. holds 30% of Dalian Bingshan Group Co., Ltd.'s equity.			

(3) Changes in the controlling shareholder and actual controllers

□ Applicable √ Not applicable

§3 Discussion and analysis of the management

In the first half of 2014, based on the business philosophy “Leading Innovation, Creating Value”, although being confronted with many challenges, the Company kept up its spirits, did real work, and laid stress on integration of internal resources and innovation of business modes to strive for attainment of the business targets, create value for customers and provide employees with more benefits.

In the report period, the Company made the sales income of 774.91 million yuan, accounting for 45.86% of 1,690 million yuan of the Company's annual business indicator for 2014, down by 2.17% from the same period of last year; and the total amount of profit of 73.08 million yuan, accounting for 52.20% of 140 million yuan of the Company's annual business indicator for 2014, up by 2.07% from the same period of last year.

In the report period, with paying adequate attention to the conventional markets such as chemicals, beer, dairy and further food processing, the Company focused on the cold chain logistics project to improve the comprehensive solution for cold chain logistics, enhance the packaged technical supports to the market, and actively adapt itself to market changes.

In the report period, the Company simplified the organizational structure and increased the operation efficiency through the measures such as organizational restructuring and application of the new operating mechanism. With optimization through the monthly operation promotion meeting and the monthly performance assessment meeting, the Company's operation was digitized and transparentized further, the work planning and predictability were improved, and the performance assessment was more refined and strengthened.

In the report period, the Company actively promoted the informationization construction projects such as PDM and ERP, and developed construction of the new performance lab orderly.

In the report period, Dalian Sanyo Compressor, as the leading scroll compressor manufacturer in China, accelerated research and development of high-efficiency and low-cost models, and actively expanded the sales area through building up the cost-related competence. Both the sales income and the net profit were increased steadily on a year-on-year basis, and the ordered volume of refrigeration projects was increased by about 30% on a year-on-year basis.

In the report period, Dalian Sanyo Cold Chain was renamed as Panasonic Cold Chain (Dalian) Co., Ltd. It learnt and absorbed advanced technologies in the world through the platforms such as the 2014 Global Retail Trade Fair in Germany. The production lines for supermarket showcases and beverage showcases have been reconstructed and upgraded gradually from manual operation to automatic operation to ensure delivering the best product to customers in the shortest lead time.

In the report period, Dalian Sanyo Refrigeration further optimized allocation of the resources for large-size air conditioner business, and made great effort to marketing the two mainstay products of central air conditioners and commercial air conditioners closely around the current hot topics, i. e. energy saving and emission reduction, waste heat energy utilization and clean energy utilization.

In the report period, Dalian Fuji-Bingshan actively expanded the beverage producer market while ensuring stable development of the service provider market. In addition to the market of Coco Cola and Master Kong, the company successfully opened up the market of Nongfu spring and both the sales income and the net profit were increased greatly on a year-on-year basis with the delivered vending machines exceeding 50,000 sets accumulatively.

§4 Events relating to the Financial Report

(1) Changes in accounting policies, estimates or major accounting errors

☐ Applicable ☒ Inapplicable

(2) The changes of the scope of consolidation

☐ Applicable ☒ Inapplicable

Board of Directors of Dalian Refrigeration Co., Ltd.
August 19, 2014