



Dalian Refrigeration Co., Ltd.
2014 Semiannual Report

August, 2014

Section 1 Important Notice, Table of Contents, and Definitions

The directors and the Board of Directors, the supervisors and the Supervisory Board, and Senior staff members of Dalian Refrigeration Co., Ltd. (hereinafter referred to as the Company) hereby confirm that there are not any important omissions, fictitious statements or serious misleading carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completeness of the whole contents.

All the directors have attended this Board meeting of the Company.

The company plans to distribute no cash dividends, no bonus shares and convert no reserve fund into capital stock.

Chairman of the Board of Directors of the Company Mr. Ji Zhijian, Financial Majordomo Mrs. Rong Yan, and the head of Accounting Department Mrs. Mao Chunhua hereby confirm that the financial report of the semi-annual report is true and complete.

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.

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Definitions

Defined item	Stands for	Meaning
Reporting period	Stands for	From Jan. 1, 2014 to Jun. 30, 2014
The Company, this Company	Stands for	Dalian Refrigeration Co., Ltd.
Wuxin Refrigeration	Stands for	Wuhan New World Refrigeration Industries Co., Ltd., one of the controlled subsidiaries of this Company, where the Company holds 51% of its shares.
Dalian Sanyo Compressor	Stands for	Dalian Sanyo Compressor Co., Ltd., one of the mutual shareholding companies of the Company, where the Company holds 40% of its shares.
Dalian Sanyo Cold Chain	Stands for	Dalian Sanyo Cold Chain Co., Ltd., one of the mutual shareholding companies of the Company, where the Company holds 40% of its shares, that was renamed as Panasonic Cold Chain (Dalian) Co., Ltd.
Dalian Sanyo Refrigeration	Stands for	Dalian Sanyo Refrigeration Co., Ltd., one of the mutual shareholding companies of the Company, where the Company holds 40% of its shares.
Dalian Fuji-Bingshan	Stands for	Dalian Fuji-Bingshan Vending Machine Co., Ltd., one of the mutual shareholding companies of this Company, where the Company holds 49% of its shares.
Keihin Grand-Ocean	Stands for	Keihin Grand-Ocean Cooling & Heating Industry (Dalian) Co., Ltd., one of the mutual shareholding companies with this Company, where the Company holds 20% of its shares.
Scroll compressor	Stands for	A high-efficiency and energy-saving full-hermetic compressor using advanced technology.
PDM	Stands for	The Product Data Management system, a technology managing all information and processes relating to products to provide information management in the whole life of product and establish a parallel collaborative environment for product design and manufacture within the enterprise.
ERP	Stands for	The Enterprise Resource Planning system, a enterprise information management system oriented to manufacturing industries for the integration management of material resources, financial resources and information resources.

Section 2 About the Company

I. Company information

Short form of the stock	DALENG GUFEN; DALENG-B
Stock code	000530; 200530
Listed stock exchange	Shenzhen Stock Exchange
Legal name in Chinese	大连冷冻机股份有限公司
Short form of legal name	大冷股份
Legal English name	Dalian Refrigeration Co., Ltd.
Abbreviation of legal English name	DRC
Legal representative	Ji Zhijian

II. Contact persons and information

	Secretary of the Board of Directors	Authorized representative for securities affairs
Name	Song Wenbao	Song Wenbao (proxy)
Address	DALENG GUFEN Securities Department, No. 888, Xinan Road, Shahekou District, Dalian	DALENG GUFEN Securities Department, No. 888, Xinan Road, Shahekou District, Dalian
Tel.	0411-86538130	0411-86538130
Fax	0411-86654530	0411-86654530
E-mail	000530@bingshan.com	000530@bingshan.com

III. Other situations

1. Contact of company

If the registered address, office address and zip code, website, email box of the company had any change in the report period

☐ Applicable ☒ Not applicable

The registered address, office address and zip code, website, email box of the company had no change in the report period. Refer to the Annual Report for 2013 for detail.

2. Information disclosure and place of preparation

If the information disclosure and the place of preparation had any change in the report period

☐ Applicable ☒ Not applicable

The name of newspaper for information disclosure selected by the company, the address of the website designated by China Securities Regulatory Commission for carrying semi-annual report, the place where the semi-annual report of the company is prepared had no change in the report period. Refer to the Annual Report for 2013 for detail.

3. Registration variation

If registration varied in the report period

☒ Applicable ☐ Not applicable

On Mar. 31, 2014, under examination and ratification of Dalian Industrial & Commercial Administration Bureau, the legal representative of the company was changed from Xiao Yongqin to Ji Zhijian.

Section 3 Summary of Main Accounting Data and Financial Indicators

I. Main accounting data and financial indicators

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%

II. Difference of accounting data between as per Chinese accounting standards and as per International Accounting Standards

The difference of accounting data between as per Chinese Accounting Standards and as per International Accounting Standards was 0.

III. Non-recurring profits and losses and their amounts

Item	Amount
Disposal gains and losses of non-current asset	34,225.82
Government subsidies included in current profit or loss	3,511,809.67
Other non-operating revenue or expense	47,605.87
Influence on income tax	895,927.94
Influence on minority shareholders	14,640.05
Influence on net profit	2,683,073.37

Section 4 Board of Directors' Report

I. Summary

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.

II. Analysis of main business

Main financial data variations as compared to the same period last year

Monetary unit : RMB Yuan

	Report period	Same period of last year	Increase or decrease from the same period of last year	Reason for variation
Operating revenue	774,912,253.19	792,124,153.23	-2.17%	
Operating cost	609,950,440.82	620,886,543.64	-1.76%	
Selling and distribution expenses	48,901,400.51	46,381,343.35	5.43%	
Administrative expenses	89,762,782.36	86,984,149.72	3.19%	
Financial expenses	-3,797,684.83	-2,085,116.83	-82.13%	Mainly due to increase of the term deposit of the parent company and increase of the interest revenue in the report period.
Income tax	3,751,633.86	4,512,062.85	-16.85%	
Research and development investment	38,870,289.68	40,025,740.11	-2.89%	
Net cash flow coming from operating activities	-2,594,386.46	3,743,258.07	-169.31%	Mainly due to decrease of cash received from sales of goods, and payment by the parent company for the tax of land resource collection and storage in the report period.
Net cash flow coming from investment activities	19,644,529.66	-2,697,502.61	828.25%	Mainly due to the receipt of 15 million yuan as the 50% equity transfer from Dalian Jiale Vending Machine Operation Co., Ltd. in the report period.
Net cash flow coming from fund-raising activities	-49,481,272.95	-45,600,783.85	-8.51%	
Net increase in cash and cash equivalents	-32,417,927.28	-44,600,048.56	27.31%	
	End of this report period	End of last year	Increase or decrease from the end of last year	Reason for variation
Account paid in advance	35,233,321.64	26,031,386.32	35.35%	Mainly due to increase of the advances for equipment purchase and for projects in the report period.
Other account receivable	32,994,118.28	24,514,740.07	34.59%	Mainly due to increase of the performance bond for bids in the report period.
Employee's compensation payable	36,807,288.20	53,580,031.02	-31.30%	Mainly due to payment of the payroll drawn having been drawn at the end of previous period in the report period.

The profit constitutions or profit sources of the company had an important change in the report period

☐ Applicable ☒ Not applicable

The profit constitutions or profit sources of the company had no important change in the report period.

Extension of future development and plan into the report period as disclosed in such public documents of the company as share-offering prospectus, capital-raising prospectus and assets reorganization report, etc.

□ Applicable √ Not applicable

In such public documents of the company as share-offering prospectus, capital-raising prospectus and assets reorganization report, etc. disclosed no extension of future development and plan into the report period

The company reviewed and summarized the progress of the operating plan disclosed in the earlier stage in the report period.

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; 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.

III. Main business structure

Monetary unit: RMB yuan

	Operating revenue	Operating costs	Gross profit	Increase/decrease of operating revenues from the same period of last year	Increase/decrease of operating costs from the same period of last year	Increase/decrease of gross profit from the same period of last year
By industry						
Refrigeration and air-conditioning	762,976,180.18	598,638,940.68	21.53%	-2.42%	-2.27%	Decrease 0.13 percentage points
By product						
Refrigeration and air-conditioning equipment	762,976,180.18	598,638,940.68	21.53%	-2.42%	-2.27%	Decrease 0.13 percentage points
By region						
Northeast China	591,705,529.73	480,596,639.82	18.77%	0.14%	1.90%	Decrease 1.41 percentage points
East China	12,034,083.18	10,107,026.32	16.01%	14.02%	16.18%	Decrease 1.56 percentage points
Central China	159,236,567.27	107,935,274.54	32.21%	-11.76%	-18.36%	Increase 5.48 percentage points

IV. Analysis of core competence

Boasting the most complete cooling and heating product chain in the industry, the Company can offer to customers the service of package projects from design, manufacture, installation to maintenance to well meet the customized demand of customers.

Having the mature and perfect marketing network and after-sale service network, the Company can offer to customers in more regions the more rapid and considerate high-quality service.

Taking refrigeration and air-conditioning as its main business, the Company effectively combines the independent R&D and the joint ventures and cooperation and has formed a unique development pattern appropriate to itself and the industry.

In the report period, the Company's core competence above-mentioned was improved further.

V. Analysis of investments

1. External equity investments

(1) External investments

External investments		
Investment in the report period (yuan)	Investment in the same period of last year (yuan)	Amount of variation
1,023,539,191.23	957,009,645.99	6.96%
Invested companies		
Name of company	Main business	Equity proportion of listed companies to invested companies (%)
For details of the invested companies, see VII-10, 11 in the Explanatory Notes to Accounting Statements.		

(2) Held financial companies' equity

Name of object held	Amount of primary investment	Quantity (Shares) held	Proportion of share equity in that company	Book value at the end of period	Profit and loss within period
Guotai Junan Securities Co., Ltd	30,098,895.00	30,098,895	0.49%	30,098,895.00	1,504,944.75
Total	30,098,895.00	30,098,895	-	30,098,895.00	1,504,944.75

2. Consigned financing, derivative investments and entrusted loans

☐ Applicable ☒ Not applicable

The Company had no consigned financing, derivative investments, and entrusted loans in the report period.

3. Analysis of major subsidiary companies and mutual shareholding companies

Monetary unit: thousand yuan

Name	Type	Main product	Registered capital	Total assets	Net assets	Operating revenue	Net profit
Wuhan New World Refrigeration Industries Co., Ltd.	subsidiary	Screw compressor	RMB100,000	455,680	143,020	159,660	3,190
Dalian Sanyo Compressor Co., Ltd.	mutual shareholding	Semi-hermetic, and scroll compressor	JPY6,200,000	2,079,595	1,015,744	1,255,326	92,040
Panasonic Cold-chain (Dalian) Co., Ltd.	mutual shareholding	Commercial refrigeration equipment	JPY4,650,000	1,494,005	516,353	939,929	8,175
Dalian Sanyo Refrigeration Co., Ltd.	mutual shareholding	Producing and selling lithium bromide absorption type refrigerators and multi-couple units	JPY3,450,000	719,635	374,661	452,599	5,318
Keinin-Grand Ocean Thermal Technology (Dalian) Co., Ltd.	mutual shareholding	Air-conditioner for cars	USD15,117.89	314,228	178,818	286,307	20,800
Dalian Fuji-Bingshan Vending Machine Co., Ltd.	Mutual shareholding	Producing and selling vending machines	JPY1,800,000	297,178	177,679	194,187	20,008

VI. Estimation of the business performance for Jan.-Sept., 2014

Estimation notice that the accumulated net profit from the beginning of year to the end of the next reporting period may be turned into loss or significantly change compared with the same period of the last year, and explanation of the cause

☐ Applicable ☒ Inapplicable

VII. Profit distribution and dividend payment

By giving consideration to both the return to shareholders and the Company's long-term development, and in combination of the Company's profit made in the this year, the Company formulated the 2013 annual dividend distribution plan of paying the cash of 1.5 yuan for every 10 shares. Reviewed and adopted at the Company's general meeting, the Company's Board of Directors has implemented the plan in June 2014.

Special explanation of the cash dividend distribution policy	
Did it comply with the Company's Articles of Association or the resolutions at the general meeting?	Yes
Were the dividend distribution standard and proportion defined and clear?	Yes
Were the decision-making procedure and system complete?	Yes
Did the independent directors play their role conscientiously?	Yes
Did the minority shareholders have opportunities to fully express their opinions and appeals? Were their legal rights and interests protected fully?	Yes
Were the condition and procedure for adjustment or change of the cash dividend distribution policy compliant and transparent?	Yes

VIII. Record of investigation, communication, interview and other activities in the reporting period

Reception time	Reception place	Reception mode	Reception object type	Reception object	Main content talked about and information provided
Jan. 3, 2014	Company's office	Field investigation	Institution	Wu Hao from China Merchants Fund.	Company fundamentals having been publicly disclosed
Jan. 15, 2014	Company's office	Field investigation	Institution	Ji Hongtao, Huangxin, and Huang Weiqiao from Penghua Fund Management Co., Ltd.	
Feb. 13, 2014	Company's office	Field investigation	Institution	Huang Kun from Guotai Junan Securities Research Institute	
Feb. 18, 2014	Company's office	By telephone	Institution	Shao Qihan from Fuh Hwa Securities Investment Trust Co. Ltd.; Xu Bo from China Securities Co., Ltd.	
Feb. 20, 2014	Company's office	Field investigation	Institution	Zhang Junping from BOC International (China) Limited; Lu Miao from China Galaxy Investment Management Co., Ltd.; Cao Yuning from Guodu Securities Co., Ltd.; Yu Li from China Life Insurance Asset Management Co., Ltd.; Min Wenqiang from Rongtong Fund Management Co., Ltd.; Zhu Hong from Lord Abbett China Asset Management Co., Ltd.; Luan Chao from China Post & Capital Fund Management Co., Ltd.	
Feb. 28, 2014	Company's office	Field investigation	Institution	Wang Xueying from Bohai Securities Co., Ltd.	
Mar. 20, 2014	Company's office	Field investigation	Institution	Fan Haitao, and Li Mengyao from China International Capital Corporation Limited.	
Apr. 24, 2014	Company's office	By telephone	Institution	Xie Jiale, and Xiao Qunxi from Huatai Securities Co., Ltd.; Wang Kai, Geng Dafeng, Dai Qunzhong, and Wu Yan from Northeast Securities Co., Ltd.; Du Minjie from Xinhua Asset Management Co., Ltd.; Gong Yuce from Wanlian Securities Brokerage Co., Ltd.; Huang Dong from China International Fund Management Co., Ltd.; Chen Zhaohong from Zhongshan Securities Co., Ltd.; Wang Youhong from Everbright Securities Co., Ltd.; Huang Ying from Beijing Hi-tech Wealth Investment and Developing Co., Ltd.; Shu Hao, and Wu Fengshu from Hua An Fund Management Co., Ltd.; Wu Linan from Nanjing Securities Co., Ltd.; Zhou Qiwei from China Southern Fund Management Co., Ltd.; Cheng Jidong, and Zhang Jilong from Guosen Securities Co., Ltd.; Liu Fan from Guotai Junan Securities Co., Ltd.; Liu Xiao from Franklin Templeton Sealand Fund Management Co., Ltd.; Zhou Zhipeng from Sinolink Securities Co., Ltd.; Zhao Jie from Tianzhun Investment Co., Ltd; Wang Dong from Tianfeng Securities Co., Ltd.; Yi Zhenxing from Jianghai Securities Co., Ltd.; Yang Lanchun from Pegasus Investment Management (Shanghai) Co., Ltd.; Huang Guoliang from Pubang Investment Co., Ltd.	
Apr. 29, 2014	Company's office	By telephone	Institution	Cai Peifen from Cathay Securities Investment Trust Co., Ltd.; Yang Ailin from Bank of Communications International Trust Co., Ltd.	
May 13, 2014	Company's office	Field investigation	Institution	Hu Shen, and Zhong Hui from Cinda Securities Co., Ltd.; Zhang Lei from Dongxing Securities Co., Ltd.	
May 28, 2014	Company's office	Field investigation	Institution	Wan Fangfang from China Asset Management Co., Ltd.	
Jun. 20, 2014	Company's office	Field investigation	Institution	Li Jianxing from UG Investment Advisers Limited	
Jun. 24, 2014	Company's office	Field investigation	Institution	Xu Jianhua from Orient Securities Co., Ltd.; Chen Wen from Industrial Securities Co., Ltd.	

Section 5 Important Issues

I. Company governing

On Mar. 27, 2014, the Company convened its 1st extraordinary shareholders' general meeting in 2014 and the 9th meeting of the 6th Board of Directors for by-election of the vacant director and chairman positions.

The actual situation of company governing has no difference from the Company Law and the requirements of relevant regulations of China Securities Regulatory Commission.

II. Major lawsuit and arbitration issues

☐ Applicable ☒ Not applicable

The Company had no major lawsuit and arbitration issues in this reporting period.

III. Media's queries

☐ Applicable ☒ Not applicable

There were no media's queries to the Company in the report period.

IV. Important associated transactions

1. Associated transactions related to normal business

In the report period, the total amount of normal associated transactions between the Company and associated parties was 184,380 thousand yuan, accounting for 40.98% of the budgeted amount for the year 2014. This included 71,910 thousand yuan, accounting for 31.27% of the budgeted amount for the year 2014, for purchasing supporting products for package projects from associated parties, and 112,470 thousand yuan, accounting for 51.13% of the budgeted amount for the year 2014, from selling supporting parts and components to associated parties.

V. Important contracts and their performance

1. Trusting, contracting and leasing status

(1) Trusting status

☐ Applicable ☒ Not applicable

There was no trusting status with the Company in the reporting period.

(2) Contracting status

☐ Applicable ☒ Not applicable

There was no contracting status with the Company in the reporting period.

(3) Leasing status

☐ Applicable ☒ Not applicable

There was no leasing status with the Company in the reporting period.

2. Guaranteeing status

☐ Applicable ☒ Not applicable

There was no guaranteeing status with the Company in the reporting period.

3. Other important contracts

☐ Applicable ☒ Not applicable

The Company had no other important contracts in the reporting period.

4. Other important transactions

☐ Applicable ☒ Not applicable

The Company had no other important transactions in the reporting period.

VI. Implementation of commitments

1. Commitments of the Company or its shareholders holding 5% or higher of the shares in the reporting period or carried to the reporting period

Undertaking matters for trial sales of state shares and implementation

Except the immature condition of being implementation for management share incentive scheme, Dalian Bingshan Group strictly perform the commitment in share reform.

The management equity incentive of Dalian Refrigeration Co., Ltd. has not been implemented due to immature objective conditions. In consideration of implementation of the above-mentioned commitments of equity division reform, and in order to ensure that the management equity incentive of Dalian Refrigeration Co., Ltd. is implemented finally, the Company will keep on locking 25% of the shares (19,213,921 shares) held by Dalian Bingshan Group Co., Ltd. until the management equity incentive of Dalian Refrigeration Co., Ltd. is implemented finally, and then apply for the relief from trading limited conditions.

In May 2014, Dalian Bingshan Group Co., Ltd. re-regulated the above-mentioned commitments that have not been fulfilled. After being re-regulated, the commitment stated: "the company will authorize the Board of Directors of Dalian Refrigeration Co., Ltd. to develop and implement the management equity incentive and restriction system according to the state's policies, laws and regulations before Jun. 30, 2016."

VII. Index to the information announcements for major matters in the report period

Announcement No.	Item	Newspaper name and page for publishing	Publishing date	Website and path for publishing
2014-001	Special announcement of the commitments that have not been fulfilled	China Securities Daily A17, Hong Kong Commercial Daily A17	Feb. 14, 2014	http://www.cninfo.com.cn
2014-002	Announcement of the director's resignation	China Securities Daily B020, Hong Kong Commercial Daily A30	Mar. 6, 2014	http://www.cninfo.com.cn
2014-003	Announcement of the chairman's resignation	China Securities Daily B020, Hong Kong Commercial Daily A30	Mar. 6, 2014	http://www.cninfo.com.cn
2014-004	Announcement of the resolutions at the 8th meeting of the 6th Board of Directors	China Securities Daily B027, Hong Kong Commercial Daily A21	Mar. 11, 2014	http://www.cninfo.com.cn
2014-005	Notice on convening the 1st extraordinary general meeting in 2014	China Securities Daily B027, Hong Kong Commercial Daily A21	Mar. 11, 2014	http://www.cninfo.com.cn
2014-006	Announcement of the resolutions at the 1st extraordinary general meeting in 2014	China Securities Daily B016, Hong Kong Commercial Daily A14	Mar. 28, 2014	http://www.cninfo.com.cn
2014-007	Announcement of the resolutions at the 9th meeting of the 6th Board of Directors	China Securities Daily B016, Hong Kong Commercial Daily A14	Mar. 28, 2014	http://www.cninfo.com.cn
2014-008	Announcement of the monthly progress of the commitments that have not been fulfilled	China Securities Daily B016, Hong Kong Commercial Daily A14	Mar. 28, 2014	http://www.cninfo.com.cn
2014-009	2013 Annual Report Summary	China Securities Daily B057, Hong Kong Commercial Daily A22	Apr. 24, 2014	http://www.cninfo.com.cn
2014-010	Announcement of the resolutions at the 10th meeting of the 6th Board of Directors	China Securities Daily B057, Hong Kong Commercial Daily A22	Apr. 24, 2014	http://www.cninfo.com.cn
2014-011	Announcement of the resolutions at the 5th meeting of the 6th Board of Supervisors	China Securities Daily B057, Hong Kong Commercial Daily A22	Apr. 24, 2014	http://www.cninfo.com.cn
2014-012	Notice on convening the 2013 annual general meeting	China Securities Daily B057, Hong Kong Commercial Daily A22	Apr. 24, 2014	http://www.cninfo.com.cn
2014-013	Announcement of the 2014 annual estimation of routine associated transactions	China Securities Daily B057, Hong Kong Commercial Daily A22	Apr. 24, 2014	http://www.cninfo.com.cn
2014-014	Quarterly Report for the First Quarter, 2014	China Securities Daily B057, Hong Kong Commercial Daily A22	Apr. 24, 2014	http://www.cninfo.com.cn
2014-015	Announcement of the monthly progress of the commitments that have not been fulfilled	China Securities Daily B185, Hong Kong Commercial Daily A11	Apr. 29, 2014	http://www.cninfo.com.cn
2014-016	Announcement of the resolutions at the 2014 annual general meeting	China Securities Daily B039, Hong Kong Commercial Daily A20	May 21, 2014	http://www.cninfo.com.cn
2014-017	Announcement of the monthly progress of the commitments that have not been fulfilled	China Securities Daily B007, Hong Kong Commercial Daily A10	May 30, 2014	http://www.cninfo.com.cn
2014-018	Announcement of the 2013 annual dividend distribution	China Securities Daily B022, Hong Kong Commercial Daily A10	Jun. 18, 2014	http://www.cninfo.com.cn

Section 6 Change in Share Capital and Shareholders' Information

I. Change in share capital

No change.

II. Number of shareholders and their shareholding

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	
Shareholding of top ten shareholders without sale restriction					
Name	Number of shares without sale restriction		Type of shares		
Dalian Bingshan Group Co., Ltd.	57,641,762		RMB denominated ordinary shares		
Sanyo Electric Co., Ltd.	35,001,500		Domestically listed foreign shares		
Penghua China 50 Open-End Securities Investment Fund	6,799,927		RMB denominated ordinary shares		
Zhong Chuan Finance Co., Ltd.	5,000,084		RMB denominated ordinary shares		
SSF Portfolio 404	4,599,985		RMB denominated ordinary shares		
Penghua Motivity Growth Mixed Securities Investment Fund	4,143,401		RMB denominated ordinary shares		
BOCI Securities Limited	3,270,654		Domestically listed foreign shares		
Zhongrong International Trust Co., Ltd. - Huixin Securities Investment Sheet 1 - Fund Trust	2,577,311		RMB denominated ordinary shares		
Jiang Youchang	2,139,575		RMB denominated ordinary shares		
Morgan Stanley Huaxin Advantage Growth Stock Fund	2,066,300		RMB denominated ordinary shares		
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.				

If the company shareholders had any agreed repurchase transaction in the report period

☐ Yes ☒ No

III. Variation in controlling shareholders or actual controllers

Variation in controlling shareholders in the report period

☐ Applicable ☒ Not applicable

There were no changes in the controlling shareholder in the reporting period.

Variation in actual controllers in the report period

☐ Applicable ☒ Not applicable

There were no changes in the actual controller in the reporting period.

Section 7 Information on the Company's Directors, Supervisors, and Senior Management officers

I. Variation in shareholding by directors, supervisors and senior management officers

☐ Applicable ☒ Not applicable

The shareholding by the directors, supervisors and senior management officers of the company had no change in the report period. Refer to the Annual Report for 2013 for detail.

II. Resignation, dismissal and election, engagement of company directors, supervisors, senior management officers

Name	Position assumed	Type	Date	Reason
Xiao Yongqin	Chairman	Resignation	Mar. 27, 2014	Resigned the position of chairman and director because of job transfer.
Wang Jian	Vice chairman	Resignation	Mar. 4, 2014	Resigned the position of vice chairman and director because of job transfer.
Nagasawa Hideharu	Director	Resignation	Mar. 4, 2014	Resigned the position of director because of job transfer.
Rong Yan	Director	Resignation	Mar. 4, 2014	Resigned the position of director but continued holding the position of financial majordomo because of job need.
Ji Zhijian	Chairman	Elected	Mar. 27, 2014	Elected to fill the vacant position of chairman.
Xu Junrao	Director	Elected	Mar. 27, 2014	Elected to fill the vacant position of director.
Kobayashi Noriaki	Vice chairman	Elected	Mar. 27, 2014	Elected to fill the vacant position of vice chairman.
Kijima Tadatoshi	Director	Elected	Mar. 27, 2014	Elected to fill the vacant position of director.

Section 8 Financial report

1. The Company's semiannual financial report has not been audited.
2. Accounting statements

CONSOLIDATED BALANCE SHEET

Prepared by Dalian Refrigeration Company Limited

30 June 2014

Unit: RMB Yuan

Items	Ending balance		Beginning Balance	
	Consolidation	Parent company	Consolidation	Parent company
Current Assets:				
Monetary funds	474,869,516.22	373,188,133.53	512,903,713.13	434,747,569.29
Transaction financial asset				
Notes receivable	49,422,722.56	43,676,722.56	39,827,031.77	20,694,679.80
Account receivable	454,693,962.55	238,275,265.79	369,712,746.70	170,582,156.81
Account paid in advance	35,233,321.64	8,847,180.43	26,031,386.32	6,125,477.96
Dividend receivable	19,104,944.75	21,204,944.75	33,450.00	2,550,000.00
Interest receivable	5,197,899.97	5,197,899.97	3,603,594.85	3,603,594.85
Other account receivable	32,994,118.28	18,843,204.46	24,514,740.07	12,822,775.66
Financial assets purchased under agreements to resell				
Inventories	271,664,326.82	143,229,406.15	325,531,007.41	173,198,452.67
Non-current assets due within 1 year				
Other current assets	2,080,367.89	2,080,367.89	995,599.80	922,487.82
Total current assets	1,345,261,180.68	854,543,125.53	1,303,153,270.05	825,247,194.86
Non-current assets:				
Available for sale financial assets				
Held to maturity investments				
Long-term account receivable				
Long-term equity investment	1,023,539,191.23	1,133,116,420.15	1,021,946,998.64	1,131,524,227.56
Investing property	0	0		
Fixed asset	380,046,966.20	208,229,946.18	395,266,143.70	218,716,664.94
Project in construction	83,566,674.05	78,427,096.63	68,462,823.08	65,051,019.19
Engineering material				
Fixed asset disposal				
Bearer biological asset				
Oil assets				
Intangible assets	154,940,128.67	90,107,396.95	155,190,230.51	89,590,975.25
Development expense				
Goodwill				
Long-term expense to be apportioned	4,034,501.14	3,689,731.47	3,901,749.71	3,548,214.70
Deferred tax assets	21,653,593.28	13,045,405.37	19,469,019.20	11,512,233.28
Other non-current assets				
Total non-current assets	1,667,781,054.57	1,526,615,996.75	1,664,236,964.84	1,519,943,334.92
Total assets	3,013,042,235.25	2,381,159,122.28	2,967,390,234.89	2,345,190,529.78

CONSOLIDATED BALANCE SHEET (CONTINUED)

Prepared by Dalian Refrigeration Company Limited		30 June 2014	Unit: RMB Yuan	
Items	Ending balance		Beginning Balance	
	Consolidation	Parent company	Consolidation	Parent company
Current liabilities:				
Short-term borrowings	40,000,000.00		37,500,000.00	
Transaction financial liabilities				
Notes payable	89,961,947.63	59,303,921.26	80,293,515.17	55,821,881.28
Account payable	546,518,250.42	327,006,785.99	464,863,265.01	265,908,099.58
Account received in advance	138,358,628.94	81,755,978.94	177,238,388.99	107,267,861.73
Employee’s compensation payable	36,807,288.20	5,722,508.11	53,580,031.02	19,207,236.71
Tax payable	25,422,829.15	16,239,664.91	22,497,530.86	13,071,583.87
Interest payable				
Dividend payable	1,433,156.00	533,156.00	2,053,911.36	533,156.00
Other account payable	45,602,647.85	50,431,522.94	51,929,364.03	51,184,849.13
Non-current liabilities due within 1 year				
Other current liabilities	849,550.50	292,550.50	1,699,101.00	585,101.00
Total current liabilities	924,954,298.69	541,286,088.65	891,655,107.44	513,579,769.30
Non-current liabilities:				
Long-term borrowings				
Debentures payable				
Long-term payables				
Specific purpose account payables				
Provisions for contingent liabilities				
Deferred tax liabilities				
Other non-current liabilities	63,192,354.35	16,404,354.35	66,627,339.60	19,839,339.60
Total non-current liabilities	63,192,354.35	16,404,354.35	66,627,339.60	19,839,339.60
Total liabilities	988,146,653.04	557,690,443.00	958,282,447.04	533,419,108.90
Owner’s equity				
Share capital	350,014,975.00	350,014,975.00	350,014,975.00	350,014,975.00
Capital surplus	584,846,283.21	583,617,355.59	584,861,283.21	583,632,355.59
Less: Treasury Stock				
Reserved fund	534,598,750.04	534,598,750.04	505,533,065.25	505,533,065.25
Retained earnings	451,399,521.37	355,237,598.65	466,608,867.00	372,591,025.04
Foreign exchange difference				
Total owners' equity attributable to holding company	1,920,859,529.62	1,823,468,679.28	1,907,018,190.46	1,811,771,420.88
Minority interest	104,036,052.59		102,089,597.39	
Total owner’s equity	2,024,895,582.21	1,823,468,679.28	2,009,107,787.85	1,811,771,420.88
Total liabilities and owner’s equity	3,013,042,235.25	2,381,159,122.28	2,967,390,234.89	2,345,190,529.78

CONSOLIDATED INCOME STATEMENT

Prepared by Dalian Refrigeration Company Limited

2014.01-06

Unit: RMB Yuan

Items	2014.01-06		2013.01-06	
	Consolidation	Parent company	Consolidation	Parent company
I. Total sales	774,912,253.19	470,970,219.97	792,124,153.23	485,112,570.51
Including: Operating income	774,912,253.19	470,970,219.97	792,124,153.23	485,112,570.51
II. Total operating cost	763,013,964.64	467,279,899.71	769,624,223.97	472,867,106.22
Including: Operating cost	609,950,440.82	386,947,532.84	620,886,543.64	389,637,758.36
Taxes and associate charges	6,469,418.81	3,082,292.41	5,765,226.20	2,578,772.79
Selling and distribution expenses	48,901,400.51	25,191,223.59	46,381,343.35	25,644,693.15
Administrative expenses	89,762,782.36	50,581,629.55	86,984,149.72	51,140,478.61
Financial expense	-3,797,684.83	-5,176,060.33	-2,085,116.83	-3,472,085.71
Impairment loss	11,727,606.97	6,653,281.65	11,692,077.89	7,337,489.02
Add: gain from change in fair value				
Gain/(loss) from investment	56,334,258.74	58,434,258.74	44,070,614.51	48,883,819.62
Including: income from investment on affiliated enterprise and jointly enterprise	53,897,497.58	53,897,497.58	43,570,614.51	43,570,614.51
Foreign exchange difference				
III. Operating profit	68,232,547.29	62,124,579.00	66,570,543.77	61,129,283.91
Add: non-business income	5,049,995.17	4,294,350.32	5,290,608.96	4,515,135.81
Less: non-business expense	206,820.12	104,144.94	264,070.46	
Including: loss from non-current asset disposal	129,041.96	54,144.94	222,418.65	
IV. Total profit	73,075,722.34	66,314,784.38	71,597,082.27	65,644,419.72
Less: Income tax	3,751,633.86	2,100,279.73	4,512,062.85	2,355,777.77
V. Net profit	69,324,088.48	64,214,504.65	67,085,019.42	63,288,641.95
Net profit attributable to parent company	66,477,633.28	64,214,504.65	65,122,435.00	63,288,641.95
Minority shareholders' gains and losses	2,846,455.20		1,962,584.42	
VI. Earnings per share	--		--	
(I) basic earnings per share	0.19		0.19	
(II) diluted earnings per share	0.19		0.19	
VII. Other comprehensive income	-11,250.00	-11,250.00	9,000.00	9,000.00
VIII. Total comprehensive income	69,312,838.48	64,203,254.65	67,094,019.42	63,297,641.95
Total comprehensive income attributable to parent company	66,466,383.28	64,203,254.65	65,131,435.00	63,297,641.95
Total comprehensive income attributable to minority shareholders	2,846,455.20		1,962,584.42	

CONSOLIDATED CASH FLOW STATEMENT

Prepared by Dalian Refrigeration Company Limited		2014.01-06		Unit: RMB Yuan	
Items	2014.01-06		2013.01-06		
	Consolidation	Parent company	Consolidation	Parent company	
1. Cash flows arising from operating activities:					
Cash received from sales of goods or rending of services	526,979,719.10	298,992,839.09	594,558,071.63	370,468,226.76	
Refund of tax and fare received	38,095.13				
Other cash received relating to operating activities	23,780,067.97	17,828,305.25	17,634,803.78	12,015,353.11	
Sub-total of cash inflows	550,797,882.20	316,821,144.34	612,192,875.41	382,483,579.87	
Cash paid for goods and services	281,731,145.25	189,500,108.92	345,476,050.50	224,399,653.37	
Cash paid to and on behalf of employees	154,450,749.32	90,376,223.25	150,381,610.32	93,910,336.05	
Tax and fare paid	64,623,975.30	34,997,096.61	53,234,848.20	27,441,204.38	
Other cash paid relating to operating activities	52,586,398.79	35,942,188.52	59,357,108.32	30,305,961.30	
Sub-total of cash outflows	553,392,268.66	350,815,617.30	608,449,617.34	376,057,155.10	
Net cash flow from operating activities	-2,594,386.46	-33,994,472.96	3,743,258.07	6,426,424.77	
2. Cash Flows arising from Investment Activities:					
Cash received from return of investments	15,000,000.00	15,000,000.00			
Cash received from investment income	20,655,571.40	20,622,121.40	12,536,629.02	14,760,809.13	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	93,105.00		266,830.00		
Proceeds from sale of subsidiaries and other operating units					
Other cash received relating to investment activities					
Sub-total of cash inflows	35,748,676.40	35,622,121.40	12,803,459.02	14,760,809.13	
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	16,104,146.74	9,309,283.62	15,500,961.63	10,335,038.00	
Cash paid for acquiring investments					
Other cash paid relating to investment activities					
Sub-total of cash outflows	16,104,146.74	9,309,283.62	15,500,961.63	10,335,038.00	
Net cash flow from investing activities	19,644,529.66	26,312,837.78	-2,697,502.61	4,425,771.13	
3. Cash Flows arising from Financing Activities:					
Cash received from absorbing investment					
Cash received from borrowings	7,400,000.00		24,800,000.00		
Other proceeds relating to financing activities					
Sub-total of cash inflows	7,400,000.00		24,800,000.00		
Cash paid for settling debt	3,900,000.00		17,000,000.00		
Cash paid for distribution of dividends or profit or reimbursing interest	52,941,288.95	50,624,979.28	53,400,783.85	50,524,334.61	
Including: Cash paid for distribution of dividends or profit to minority shareholders by shareholding companies	1,500,000.00		1,508,803.41		
Other cash payments relating to financing activities	39,984.00				
Sub-total of cash outflows	56,881,272.95	50,624,979.28	70,400,783.85	50,524,334.61	
Net cash flow from financing activities	-49,481,272.95	-50,624,979.28	-45,600,783.85	-50,524,334.61	
4. Influence on cash due to fluctuation in exchange rate	13,202.47	98.8	-45,020.17	-188.69	
5. Increase in cash and cash equivalents	-32,417,927.28	-58,306,515.66	-44,600,048.56	-39,672,327.40	
Add : Cash and cash equivalents at year-begin	502,339,160.35	431,494,649.19	525,818,735.46	437,725,268.74	
6. Cash and cash equivalents at the end of the year	469,921,233.07	373,188,133.53	481,218,686.90	398,052,941.34	

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

Prepared by Dalian Refrigeration Company Limited

2014.01-06

Unit: RMB Yuan

Items	2014.01-06								
	Owners' equity attributable to parent company							Minority equity	Total of owners' equity
	share capital	Capital surplus	Lessen: treasury stock	Surplus reserve	General risk reserve	Retained profits	Others		
I. balance at the end of last year	350,014,975.00	584,861,283.21		505,533,065.25		466,608,867.00		102,089,597.39	2,009,107,787.85
1. Change of accounting policy									
2. Correction of errors in previous period									
II. Balance at the beginning of this year	350,014,975.00	584,861,283.21		505,533,065.25		466,608,867.00		102,089,597.39	2,009,107,787.85
III. Increase/ decrease of amount in this year ("-" means decrease)		-15,000.00		29,065,684.79		-15,209,345.63		1,946,455.20	15,787,794.36
(I) Net profit						66,477,633.28		2,846,455.20	69,324,088.48
(II) Other comprehensive income		-15,000.00							-15,000.00
Subtotal of (I) and (II)		-15,000.00				66,477,633.28		2,846,455.20	69,309,088.48
(III) Input an reduced capital of owners									
1. Input capital of owners									
2. Amount of Shares included in the owners' equity									
3. Others									
(IV) Profit distribution				29,065,684.79		-81,686,978.91		-900,000.00	-53,521,294.12
1. Withdrawing surplus public reserve				29,065,684.79		-29,065,684.79			
2. Withdrawing general risk reserve									
3. Distribution to all owners (shareholders)						-52,502,246.25		-900,000.00	-53,402,246.25
4. Others						-119,047.87			-119,047.87
(V) Internal carrying forward of owners' equity									
1. New increase of capital (share capital) from capital reserves									
2. Convert surplus reserves to capital (share capital)									
3. Surplus reserves make up losses									
4. Others									
IV. Balance at the end of this period	350,014,975.00	584,846,283.21		534,598,750.04		451,399,521.37		104,036,052.59	2,024,895,582.21

Items	2013.01-12								
	Owners' equity attributable to parent company							Minority equity	Total of owners' equity
	share capital	Capital surplus	Lessen: treasury stock	Surplus reserve	General risk reserve	Retained profits	Others		
I. balance at the end of last year	350,014,975.00	584,852,283.21		469,665,883.33		404,267,596.17		101,052,831.86	1,909,853,569.57
1. Change of accounting policy									
2. Correction of errors in previous period									
II. balance at the beginning of this year	350,014,975.00	584,852,283.21		469,665,883.33		404,267,596.17		101,052,831.86	1,909,853,569.57
III. Increase/ decrease of amount in this year ("-" means decrease)		9,000.00		35,867,181.92		62,341,270.83		1,036,765.53	99,254,218.28
(I) Net profit						153,006,057.13		5,955,568.94	158,961,626.07
(II) Other comprehensive income		9,000.00							9,000.00
Subtotal of (I) and (II)		9,000.00				153,006,057.13		5,955,568.94	158,970,626.07
(III) Input an reduced capital of owners									
1. Input capital of owners									
2. Amount of Shares included in the owners' equity									
3. Others									
(IV) Profit distribution				35,867,181.92		-90,664,786.30		-4,918,803.41	-59,716,407.79
1. Withdrawing surplus public reserve				35,867,181.92		-35,867,181.92			
2. Withdrawing general risk reserve									
3. Distribution to all owners (shareholders)						-52,502,246.25		-4,918,803.41	-57,421,049.66
4. Others						-2,295,358.13			-2,295,358.13
(V) Internal carrying forward of owners' equity									
1. New increase of capital (share capital) from capital reserves									
2. Convert surplus reserves to capital (share capital)									
3. Surplus reserves make up losses									
4. Others									
IV. Balance at the end of this period	350,014,975.00	584,861,283.21		505,533,065.25		466,608,867.00		102,089,597.39	2,009,107,787.85

STATEMENT OF CHANGES IN OWNERS' EQUITY

Prepared by Dalian Refrigeration Company Limited

2014.01-06

Unit: RMB Yuan

Items	2014.01-06					
	share capital	Capital surplus	Lessen: treasury stock	Surplus reserve	Retained profits	Total of owners' equity
I. balance at the end of last year	350,014,975.00	583,632,355.59		505,533,065.25	372,591,025.04	1,811,771,420.88
1. Change of accounting policy						
2. Correction of errors in previous period						
II. balance at the beginning of this year	350,014,975.00	583,632,355.59		505,533,065.25	372,591,025.04	1,811,771,420.88
III. Increase/ decrease of amount in this year ("-" means decrease)		-15,000.00		29,065,684.79	-17,353,426.39	11,697,258.40
(I) Net profit					64,214,504.65	64,214,504.65
(II) Other comprehensive income		-15,000.00				-15,000.00
Subtotal of (I) and (II)		-15,000.00			64,214,504.65	64,199,504.65
(III) Input an reduced capital of owners						
1. Input capital of owners						
2. Amount of Shares included in the owners' equity						
3. Others						
(IV) Profit distribution				29,065,684.79	-81,567,931.04	-52,502,246.25
1. Withdrawing surplus public reserve				29,065,684.79	-29,065,684.79	
2. Withdrawing general risk reserve						
3. Distribution to all owners (shareholders)					-52,502,246.25	-52,502,246.25
4. Others						
(V) Internal carrying forward of owners' equity						
1. New increase of capital (share capital) from capital reserves						
2. Convert surplus reserves to capital (share capital)						
3. Surplus reserves make up losses						
4. Others						
IV. Balance at the end of this period	350,014,975.00	583,617,355.59		534,598,750.04	355,237,598.65	1,823,468,679.28

Items	2013.01-12					
						Total of owners' equity
	share capital	Capital surplus	Lessen: treasury stock	Surplus reserve	Retained profits	
I. balance at the end of last year	350,014,975.00	583,623,355.59		469,665,883.33	315,632,029.27	1,718,936,243.19
1. Change of accounting policy						
2. Correction of errors in previous period						
II. balance at the beginning of this year	350,014,975.00	583,623,355.59		469,665,883.33	315,632,029.27	1,718,936,243.19
III. Increase/ decrease of amount in this year ("-" means decrease)		9,000.00		35,867,181.92	56,958,995.77	92,835,177.69
(I) Net profit					145,328,423.94	145,328,423.94
(II) Other comprehensive income		9,000.00				9,000.00
Subtotal of (I) and (II)		9,000.00			145,328,423.94	145,337,423.94
(III) Input an reduced capital of owners						
1. Input capital of owners						
2. Amount of Shares included in the owners' equity						
3. Others						
(IV) Profit distribution				35,867,181.92	-88,369,428.17	-52,502,246.25
1. Withdrawing surplus public reserve				35,867,181.92	-35,867,181.92	
2. Withdrawing general risk reserve						
3. Distribution to all owners (shareholders)					-52,502,246.25	-52,502,246.25
4. Others						
(V) Internal carrying forward of owners' equity						
1. New increase of capital (share capital) from capital reserves						
2. Convert surplus reserves to capital (share capital)						
3. Surplus reserves make up losses						
4. Others						
IV. Balance at the end of this period	350,014,975.00	583,632,355.59		505,533,065.25	372,591,025.04	1,811,771,420.88

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in RMB Yuan unless otherwise stated)

I. General information

Dalian Refrigeration Company Limited (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) on December 18, 1993 as a joint stock limited company. The principal activities of the Company are manufacture, sale and installation of refrigeration equipments. The Company together with its subsidiaries is hereinafter collectively referred to as the “Group”. The address of the Company’s registered office is No.888 Xinan Road, Shahekou District, Dalian, China.

The Company’s domestically listed RMB denominated ordinary shares (“A shares”) and domestically listed foreign investment ordinary shares (“B shares”) were listed on the Shenzhen Stock Exchange in the PRC in December 1993 and March 1998 respectively.

As the China’s Refrigeration & Air Conditioning Association published, the Company was put the first place for its sales income and economy utility general index in the line; and its products were also been the first level for variety, specification, market occupation rate and export sales in China’s refrigeration industry.

II. The main accounting policies, accounting estimates and corrections of accounting errors

1. Basic of preparation of financial statements

The financial statements have been prepared on the basic assumption of going concern and on the accrual basis of accounting. The effects of events and other transactions actually occurred and they have been recorded and measured in accordance with the Chinese Accounting Standards (2006): Framework and other accounting standards.

2. Declaration on following Accounting Standard for Business Enterprises

Declaration from the Company: The financial report made by the Company was in accordance with Accounting Standard for Business Enterprises, which reflected the financial position, financial performance and cash flow of the Company truly, objectively and completely.

3. Fiscal year

The Company adopts the calendar year as its fiscal year, i.e. from January 1 to December 31.

4. Functional currency

RMB was the functional currency of the Company.

5. Accounting measurement attribute

A. Accounting measurement attribute

The Company adopts the accrual basis for accounting treatments. All assets are stated at their historical costs on acquisition. The financial assets or financial liabilities which are measured at their fair value and the variation of which is recorded into the profits and losses are stated at their fair value. Stocks or fixed assets and other assets on acquisition, which its payment delayed longer than normal payment condition, should be measured at the present value of the payment. Other assets with impairment are measured at the recoverable amount. The amount of overage on assets is determined at replacement cost.

B. The reporting items which the accounting measurement attributes changed during the current period

No.

6. Accounting method of business combination under the same control and not under the same control

A. The Company adopts equity method for business combination under same control. The assets and liabilities that the combining party obtained in a business combination shall be measured on their carrying amount in the combined party on the combining date. The difference between the carrying amount of net assets acquired by the combining party and the carrying amount of the consideration paid by it (or the total par value of the shares issued) shall be adjusted to capital surplus. If the capital surplus is not sufficient for adjustment, retained earning is adjusted respectively. The business combination costs that are directly attributable to the combination, such as audit fees, valuation fees, and legal service fees and so on are recognized in profit or loss during the current period when they occurred. The bonds issued for a business combination or the handling fees, commissions and other expenses for bearing other liabilities shall be recorded in the amount of initial measurement of the bonds or other debts. The handling fees, commissions and other expenses for the issuance of equity securities for the business combination shall be credited against the surplus of equity securities; if the surplus is not sufficient, the retained earnings shall be offset. Where a relationship between a parent company and a subsidiary company is formed due to a business combination, the parent company shall, on the combining date, prepare consolidated financial statements according to the accounting policy of the Company.

B. The Company adopts acquisition method for business combination not under same control. The acquirer shall recognize the initial cost of combination under the following principles: a) When business combination is achieved through a single exchange transaction, the cost of a business combination is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree; b) For the business combination involved more than one exchange transaction, the cost of the combination is the aggregate cost of the individual transactions; c) The costs directly attributed to business combination are included in the cost of combination; d) Where a business combination contract or agreement provides for a future event which may adjust the cost of combination, the Company shall include the amount of the adjustment in the cost of the combination at the acquisition date if the future event leading to the adjustment is probable and the amount of the adjustment can be measured reliably.

The acquirer shall, on the acquisition date, measure the assets given and liabilities incurred or assumed by an enterprise for a business combination in light of their fair value, and shall record the balances between them and their carrying amounts into the profits and losses at the current period. The acquirer shall distribute the combination costs on the acquisition date, and shall recognize all identifiable assets, liabilities and contingent liabilities it obtains from the acquiree. a. the acquirer shall recognize the difference that the combination costs are over the fair value of the identifiable net assets obtained from acquiree as goodwill; b. if the combination costs are less than the fair value of the identifiable net assets obtained from acquiree, the acquirer shall reexamine the measurement of the fair values of the identifiable assets, liabilities and contingent liabilities obtained from the acquiree as well as the combination costs; and then after the reexamination, the result is still the same, the difference shall be recorded in the profit and loss of the current period.

Where a relationship between a parent company and a subsidiary company is formed due to a business combination, the parent company shall prepare accounting books for future reference, which shall record the fair value of the identifiable assets, liabilities and contingent liabilities obtained from the subsidiary company on the acquisition date. When preparing consolidated financial statements, it shall adjust the financial statements of the subsidiary company on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities determined on the acquisition date according to the Company's accounting policy of "Consolidated financial statement".

7. Basis of consolidation

(1) Scope of consolidation

Consolidated financial statements are included all subsidiaries of the parent.

(2) Increase or decrease of the subsidiaries

For any subsidiary acquired by the Company through business combination under the same control, when the consolidated balance sheet for the current period is being prepared, the beginning balances in the consolidated balance sheet are made corresponding modification. For addition business combination not under same control during the reporting period, the Company makes no adjustment for the beginning balances in the consolidated balance sheet. When disposing subsidiary during the reporting period, the Company makes no adjustment for the beginning balances in the consolidated balance sheet. For any subsidiary acquired by the Company through business combination under the same control, when the consolidated income statement for the current period is being prepared, sales, expense and profit for the period from the beginning of the consolidated period to the year end of the reporting period are included in the consolidated income statement. For addition business combination not under same control during the reporting period, revenue, expense and profit for the period from acquisition date to the year end of the reporting period is included in the consolidated income statement. When disposing subsidiary during the reporting period, sales, expense and profit for the period from the beginning to the disposal date are included in the consolidated income statement.

For any subsidiary acquired by the Company through business combination under the same control, when the consolidated cash flow statement for the current period is being prepared, cash flow for the period from the beginning of the consolidated period to the year end of the reporting period is included in the consolidated cash flow statement. For addition business combination not under same control during the reporting period, cash flow for the period from acquisition date to the year end of the reporting period is included in the consolidated cash flow statement. When disposing subsidiary during the reporting period, cash flow for the period from the beginning to the disposal date is included in the consolidated cash flow statement.

(3) Principle of consolidation

The consolidated financial statements are based on the financial statements of individual subsidiaries which are included in the consolidation scope and prepared after adjustment of long-term equity investment under equity method and elimination effect of intra-group transaction.

(4) Minority interests

The portion of the equity of the subsidiaries that are not owned by the parent is presented as minority interest in the consolidated balance sheet. The portion of the profit or loss of the subsidiaries that are not owned by the parent is presented as minority interest in the consolidated income statement.

(5) Excess losses

The amount which losses of subsidiaries during the period exceeds the proportion of minority's obligation is offset minority interest as agreed in the subsidiaries' association or agreement and minorities have ability to bear the excess losses. Otherwise, the excess losses are offset equity of the parent company. Profits made afterward by subsidiaries are attributable to equity of the parent company before recovery of excess losses.

8. The standard for recognizing cash equivalent when making cash flow statement

Cash equivalent means the highly liquid, very safe investment which can be easily converted into cash, and the company can hold it for a very short time (3 months from the date of purchase).

9. Method of foreign currency translation

When foreign currency translation occurs, the spot exchange rate on the date of translation (i.e., the middle price of the intraday foreign exchange rate of RMB published by People's Bank of China) shall be converted into RMB for keeping accounts while the occurred foreign currency exchange or the foreign exchange transactions shall be translated according to exchange rate adopted in actual transactions. On the balance sheet date, the foreign currency monetary items and foreign currency non-monetary items shall be treated in accordance with the following provisions:

The foreign currency monetary items shall be translated at the spot exchange rate on balance sheet date, of which happen during the normal business period shall be recorded into gains and losses at the current period; of which happen during organization period shall be recorded into long-term deferred expense. The exchange gains or losses caused by the borrowing belonging to acquiring fixed assets shall be treated by the capitalization of borrowing costs.

Foreign currency non-monetary items shall be translated at spot rate on the date of transaction, not changing the amount of functional currency.

The Company translates the financial statements of its foreign operation in accordance with the following provisions: a) the asset and liability items in the balance sheets shall be translated at a spot exchange rate ruling at the balance sheet date. Among the owner's equity items, except the ones as "retained earnings", others shall be translated at the spot exchange rate ruling at the time when they occurred; b) The income and expense items in the income statements shall be translated with approximate exchange rate of the sight rate on the transaction occurring date. The foreign exchange difference arisen from the translation of foreign currency financial statements shall be presented separately under the owner's equity in the balance sheet.

10. The recognition and measurement of financial instruments and the transfer of the financial instruments

(1) Recognition of the financial assets

When an enterprise becomes a party to a financial instrument, it shall recognize a financial asset or financial liability. Where a financial asset satisfies any of the following requirements, the recognition of it shall be terminated:

- ① Where the contractual rights for collecting the cash flow of the said financial assets are terminated;
- ② Where the said financial asset has been transferred and meets the conditions for recognizing the termination of financial assets as provided for in Accounting Standard for Business Enterprises No. 23 – Transfer of Financial Assets. Only when the prevailing obligations of a financial liability are relieved in all or in part may the recognition of the financial liability be terminated in all or partly.

(2) The classification, recognition and measurement of financial assets and financial liabilities

The financial assets or financial liabilities got or born by the Company are measured according to the following classifications:

- ① The financial assets or financial liabilities which are measured at their fair value and the variation of which is recorded into the profits and losses of the current period

The interest rate or cash dividend which was gained in the period when the financial assets held by the Company are measured at its fair value and of which the variation is recorded into the profits and losses in the current period shall be recognized as investment income. On balance sheet date, the in change in the fair value of the financial asset or financial liability which is measured at its fair value and of which the variation is recorded into the profits and losses of the current period, shall be recorded into the profits and losses of the current period; When the said financial assets of financial liabilities are on disposal, the difference between the fair value and the amount in initial account shall be recognized as investment income, meanwhile, the profits and losses arising from the change in fair value shall be adjusted.

- ② The investments which will be held to their maturity

The investments which will be held to their maturity will regard the sum between the gained fair value and the transaction expense thereof as the initially recognized amount. The interest on bonds in payment, of which the mature interest is not drawn, shall be solely recognized as the receivables. The interest revenue which is measured and recognized by the amortized cost and actual interest rate during the period of the investments which will be held to their maturity shall be recorded into investment income. The actual interest rate which is recognized in the period of gaining the investments which will be held to their maturity, shall maintain unchanged within the predicted term of existence or within a shorter applicable term of the said investment which will be held to their maturity. The little difference between actual interest rate and coupon rate of which interest revenue can be measured at the coupon rate shall be recorded into the profits of losses in the current period. When the investments which will be held to their maturity are on disposal, the difference between the obtained price and investment book value shall be recorded into the profits and losses in the current period.

- ③ The accounts receivables

The creditor's right receivable formed during the Company selling commodity outside or offering labor shall be regarded as the initially recognize amount in according with the receivable price stipulated in the contract or agreement signed between the Company and the buyers. When the Company recovers or disposes the accounts receivable, the difference between the obtained price and the book value of the accounts receivable shall be recorded into the profits and losses in the current period.

- ④ Financial assets available for sale

The financial assets available for sale will be regarded as the initial recognized amount in according with the sum between the fair value obtained from the said financial assets and the transaction expense thereof. The interest on bonds of which the mature interest rate is not drawn in the payment or the cash dividend which is declared but not extended in the payment shall be solely recognized as the receivables.

The interest rate or cash dividend gained during the period of holding the financial assets available for sale shall be recorded

into investment income. On balance sheet date, the financial assets shall be measured through fair value, while the change in fair value is recorded into capital reserves (other capital reserves).

When the financial assets are on disposal, the difference between the obtained price and the book value of the financial assets shall be recorded into investment income, meanwhile, the amount on proposal transferring out from the accumulated amount which is directly recorded into shareholders' equity and arises from the variation of the fair value, shall be recorded into investment income.

⑤ Other financial liabilities

Other financial liabilities are regarded as the initial recognized amount in accordance with the sum between the fair value and the transaction expense thereof. The Company shall make subsequent measurement on other financial liabilities on the basis of the post-amortization costs.

(3) Main recognition method for the fair value of the financial assets or financial liabilities

① The quotation in the active market shall be used to recognize the fair value of the financial assets or financial liabilities existing in active market.

② If the financial instruments do not exist in the active market, the fair value shall be recognized by value appraisal techniques.

③ As for the financial assets initially obtained or produced at source and the financial liabilities assumed, the fair value thereof shall be determined on the basis of the transaction price of the market.

(4) Main impairment test method of the financial assets and impairment provision method

The recognition standard for impairment provision of the financial assets: the Company shall carry out an inspection, on the balance sheet day, on the carrying amount of the financial assets other than those measured at their fair values and of which the variation is recorded into the profits and losses of the current period. Where there is any objective evidence proving that such financial asset has been impaired, an impairment provision shall be made.

The withdrawal method for impairment provision of the financial assets: as for the impairment provision of the financial assets is measured on the basis of post-amortization costs, if the current value of the predicted future cash flow of the financial assets is below the difference in the carrying amount of the said financial asset, the impairment provision of the financial assets shall be made; as for the impairment provision of the financial assets available for sale, if the recoverable amount is below the difference in the carrying amount, the impairment provision shall be made. Where a sellable financial asset is impaired, even if the recognition of the financial asset has not been terminated, the accumulative losses arising from the decrease of the fair value of the owners' equity which was directly included shall be transferred out and recorded into the profits and losses of the current period.

11. Receivable accounts

(1) Recognition and providing of bad debt provision on individual receivable account with large amount

Basis of recognition or standard amount of individual account with large amount	Top 5 of account receivables at year end
Basis of bad debt provision	Impairment test performed individually, bad debt provision will be provided at the difference of expected cash flow lower than the book value. Without bad debt provision needed provided through individually test, bad debt provision will be provided at age analysis method.

(2) Recognition and providing basis of bad debt reserves for group of receivable accounts with similar characteristics of credit risks

① Basis of recognition and providing of bad debt provision

Basis of recognition for groups	
Group of inner units	Accounts receivable due from subsidiaries included in consolidated scope
Group by age analysis	With similar characteristics of credit risks
Basis of bad debt provision	
Group of inner units	Individual identified method
Group by age analysis	Age analysis method

② Age analysis

Ages	Provision rates for account receivables (%)	Provision rates for other receivables (%)
Within 1 year, (included, same for the followings)	5%	5%
1-2 years	10%	10%
2-3 years	30%	30%
3-4 years	50%	50%
4-5 years	80%	80%
Over 5 years	100%	100%

(3) Other minor amount

For the receivables which are not individually significant, and which individually significant but are not provided provision individually, in accordance with credit risk characteristics, the method of provision for bad debts is aging analysis method. The assessment is made collectively where receivables share similar credit risk characteristics (including those having not been individually assessed as impaired), based on their historical loss experiences, and adjusted by the observable figures reflecting present economic conditions.

12. The classification, pricing and accounting methods for inventories; the recognition standard and withdrawal method of the inventories falling price reserves

(1) Classification of the inventories: purchased materials, stocking materials, material cost difference, entrusted processing materials, unfinished products, finished products, working on project and etc.

(2) The inventory system is on the basis of perpetual inventory method.

(3) The inventories are priced by the historical cost method, so are the raw material and auxiliary material, the sold material cost is carried over on the basis of first-in first-out method; the product cost is accounted through standard cost method, the difference between the standard cost and historical cost is undertaken by the cost of the finished goods in process, while the cost of sales is carried over on the basis of weighted average method; low-value consumption goods will be amortized once when drawn.

(4) As for the inventory write-down provided: each kind of inventories at the end of the report period will be measured at the lower of cost or net realizable value, and a provision for inventory write-down will be established for any difference between the cost and the lower net realizable value. The net realizable value refers to the value minus the predicted expense needed in the process of completing the production and sales from the predicted price for sale and the taxes.

13. The method for measuring long-term equity investment

(1) Confirmation of initial investment cost of long-term equity investment

For the consolidation of enterprises that under the same control, take the book value proportion of the owner's equity of consolidated party on consolidation date as initial investment cost of long-term equity investment. The balance of initial investment cost of long-term equity investment and paid cash, transferred non-cash asset, and book value of debt taken, should adjust capital public reserve; and adjust retained earning while the capital public reserve isn't enough to offset. For the consolidation of enterprises that under different control, take assets paid out in order to acquire the control right of purchased party on purchase date, occurred or undertaken debt and fair value of issued equity securities as initial investment cost of long-term equity investment. The long-term equity investment acquired in other manners except from the enterprise consolidation, should confirm its initial investment cost according to following regulations:

① The long-term equity investment acquired by paying cash, should take purchasing price that actually paid as initial investment cost. Initial investment cost including expense, tax and other necessary payout that directly related with acquiring the long-term equity investment.

② The long-term equity investment acquired by issuing equity securities, should take fair value of the issued equity securities as initial investment cost.

③ The long-term equity investment invested by investors, should take the promised value in investment contract or agreement as initial investment cost, excluding those promised in the contract or agreement that the value is not fair.

④ The long-term equity investment acquired by non-monetary asset exchange, its initial investment cost should be confirmed according to Accounting Standards of Business Enterprise No.7—Non-monetary Asset Exchange.

⑤ The long-term equity investment acquired by debt reorganization, its initial investment cost should be confirmed according to Accounting Standards No.12—Debt Restructuring.

(2). Subsequent measurement of long-term equity investment

①. The following long-term equity investments adopt cost calculation method:

i. The long-term equity investment on the invested units controlled by the Company.

The investment of the Company on the subsidiaries and calculated on cost method and adjusted according to equity method while compiling the consolidated financial statements.

ii. The Company hasn't joint control or material influence on invested party, or the long-term investment hasn't quoted price on active market so its fair value can't be dependably measured.

②. The long-term equity investment that the Company has together control or material influence on the invested party, adopt equity method to calculated.

14. The fixed assets pricing and depreciation method

(1) Definition of fixed assets

The fixed assets refer to the assets related to production and operation that has over 1 year lifetime.

(2) Classification

The fixed assets include property and plant, machinery and equipment, motor vehicles, electric equipments and other equipments etc.

(3) Pricing of fixed assets

The initial measurement of a fixed asset shall be made at its cost. The cost of a purchased fixed asset is based on the actual expense; the cost invested to a fixed asset by the investor shall be ascertained in accordance with the value as stipulated in the investment contract or agreement; the cost of a self-constructed fixed asset shall be formed by the necessary expenses incurred for bringing the asset to the expected condition for use; the costs of fixed assets acquired through the exchange of non-monetary assets, recombination of liabilities, merger of enterprises, and financial leasing shall be respectively ascertained in accordance

with the Accounting Standard for Business Enterprises No. 7 - Exchange of Non-monetary Assets, the Accounting Standard for Business Enterprises No. 12 – Debt Restructuring, the Accounting Standard for Business Enterprises No. 21 – Leases.

(4) Depreciation method of fixed assets

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

<u>Fixed assets</u>	<u>Estimated lifetime</u>	<u>Annual depreciation rates</u>	<u>Expected residual value rates</u>
Buildings	20-40 years	2.25-4.85%	3%、5%、10%
Machinery and equipment	10-22 years	4.09-9.7%	3%、5%、10%
Motor vehicles	4-15 years	6-24.25%	3%、5%、10%
Electric equipments	5 years	18-19.4%	3%、5%、10%
Other equipments	10-15 years	6-9.7%	3%、5%、10%

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

15. Construction-in-progress

(1). Construction-in-progress represents buildings and plant under construction and machinery and equipment under installation and testing, and is stated at cost.

(2). This includes cost of construction, plant and equipment and other direct costs plus borrowing costs which include interest charges and exchange differences arising from foreign currency borrowings used to finance these projects during the construction period, to the extent these are regarded as an adjustment to interest costs.

(3). When construction engineering in process has reached the scheduled state in commission, and has proceeded the final accounts of completing, validate all the actual expenses as the fixed asset; if the fixed asset has reached the scheduled state in commission without proceeding the final accounts of completing, validate the cost and adjust the original provisional estimated value according to the actual costs after finishing the final accounts of completing.

16. The pricing and amortizing method of intangible assets

(1) Pricing of the intangible assets

The intangible assets shall be initially measured according to its cost.

① The cost of outsourcing intangible assets shall include the purchase price, relevant taxes and other necessary expenditure directly attributable to intangible assets for the expected purpose.

② The cost of self-developed intangible assets shall include the total expenditures incurred during the period from the time when it meets the following conditions to the time when the expected purposes of use are realized, except that the expenditures which have already been treated prior to the said period shall not be adjusted.

i . It is feasible technically to finish intangible assets for use or sale;

ii . It is intended to finish and use or sell the intangible assets;

iii. The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufacturing by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally.

iv . It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources;

v . The development expenditures of the intangible assets can be reliably measured.

③ The cost invested into intangible assets by investors shall be determined according to the conventional value in the investment contract or agreement.

④ The costs of intangible assets acquired from non-monetary assets transaction, debt recombination, government subsidies, and merger of enterprises shall be determined respectively according to the Accounting Standard for Business Enterprises No. 7 - Non-monetary Assets, Accounting Standard for Business Enterprises No. 12 – Debt Restructurings, Accounting Standard for Business Enterprises No. 16 – Government Grants and Accounting Standard for Business Enterprises No. 20 – Business Combinations.

(2) Amortization of the intangible assets

① As for the intangible assets with limited service life, which are amortized by straight-line method when it is available for use within the service period, shall be recorded into the current profits and losses. The Company shall, at least at the end of each year, check the service life and the amortization method of intangible assets with limited service life. When the service life and the amortization method of intangible assets are different from those before, the years and method of the amortization shall be changed.

② Intangible assets with uncertain service life may not be amortized. However, the Company shall check the service life of intangible assets with uncertain service life during each accounting period. Where there are evidences to prove the intangible assets have limited service life, it shall be estimated of its service life, and be amortized according to the above method mentioned in (1).

17. Impairment of long-term assets

(1) At the end of accounting period, the Company shall check the long-term assets. There may be an impairment of assets when the following signs occur. The recoverable amount shall be estimated and the asset impairment loss shall be made in light of the difference that the recoverable amount of assets is less than the book value when the impairment happens. The signs are stated

as follows:

- ① The current market price of assets falls, and its decrease is obviously higher than the expected drop over time or due to the normal use;
 - ② The economic, technological or legal environment in which the enterprise operates, or the market where the assets is situated will have any significant change in the current period or in the near future, which will cause adverse impact on the enterprise;
 - ③ The market interest rate or any other market investment return rate has risen in the current period, and thus the discount rate of the enterprise for calculating the expected future cash flow of the assets will be affected, which will result in great decline of the recoverable amount of the assets;
 - ④ Any evidence shows that the assets have become obsolete or have been damaged substantially;
 - ⑤ The assets have been or will be left unused, or terminated for use, or disposed ahead of schedule;
 - ⑥ Any evidence in the internal report of the enterprise shows that the economic performance of the assets has been or will be lower than the expected performance, for example, the net cash flow created by assets or the operating profit (or loss) realized is lower (higher) than the expected amount;
 - ⑦ Other evidence indicates that the impairment of assets has probably occurred.
- (2) The evidences to withdraw the impairment provision of long-term investment, fixed assets, construction in process and intangible asset: at the end of the report period, the Company will withdraw the asset impairment provision according to the difference that the recoverable amount of single asset is less than the book value. The recoverable value shall be recognized according to the high one between the net amount of fair value deducting disposal charge and the current value of the expected future cash flow of assets. If the recoverable amount of the single asset cannot be obtained, the recoverable amount shall be recognized on the basis of the asset group to which the asset belongs.
- (3) The business reputation formed by merger of enterprises shall be distributed into the related asset group at the end of every year, then the asset group shall have the impairment test to measure the recoverable amount, comparing to the book value, if the recoverable amount of the asset group is less than the book amount, the difference shall first charge against the book value of the business reputation which is apportioned to the asset group; if the book value of the business reputation is not enough to charge against the difference, the uncharged balance shall be distributed by the other assets of the asset group in accordance with the book value.
- (4) The recognition of the asset group under impairment test: the related minimum of asset groups that can share the synergetic benefit brought from merger through the prediction of the Company.
- (5) The above impairment losses of assets cannot be reversed as soon as they are recognized.

18. Calculation method of loan expenses

(1) The loan expenses occurred to the Company includes loan interest, amortization of reduction price and premium price, assistant expenses and the exchange balance from foreign currency loan. The amortization of the interest, discount or premium and exchange difference from, the specific loan for purchasing fixed assets, if meeting the following three conditions, loan expenses should be capitalized.

- ① Asset disbursements have been occurred.
 - ② The borrowing costs has already incurred.
 - ③ Purchase construction activity for achieving the asset utility condition has started. Other loan interest, amortization of reduction price and premium price and the exchange balance from foreign currency loan should be deemed as expenses of the period while they occur.
- (2) Where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the enterprise shall calculate and determine the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the general borrowing by the capitalization rate of the general borrowing used. Auxiliary expense of general loan should be counted into current loss and interest.
- (3) To determine capitalized amount: Capitalized interest for purchasing fixed asset at the end of the current period is the accumulated expense and weight average asset multiplied capitalization rate. And the capitalization rate is determined by following principles:
- ① Interest of the specialized loan for purchasing fixed assets is the capitalization rate;
 - ② Above single specialized loan for purchasing fixed assets, the capitalization rate is the weighted average interest rate of these general borrowings.
- (4) Temporary stop of capitalization: If the purchase and building activities for fixed assets stop abnormally and the interruption interval exceeds three months, the capitalization of borrowing cost should be stopped temporarily and deemed as the expenses of current period until the re-start of purchasing and building activities for assets.
- (5) Stop of capitalization: When the purchased fixed assets have reached the expected serviceable condition, stop the capitalization of borrowing cost.

19. Calculating method on salary payable to staff

The staff' salary means that the enterprise gives various remunerations for obtaining services providing by the employees or other relevant expenses. It includes:

- i. Staff's salary, bonus, allowance and subsidy;
- ii. Staff's welfare;
- iii. Hospitalization insurance, endowment insurance, unemployment insurance, occupational injury insurance and childbirth insurance, etc. social insurances;
- iv. Housing public reserve;

- v. Labor union expenditure and personnel education expense;
- vi. Non-monetary welfare;
- vii. Compensation for rescinding the labor relationship with employee;
- viii. Other expenses related with the services the employee supply.

During the accounting period of an employee' providing services to an enterprise, the Company shall recognize the compensation payable as liabilities. Except for the compensations for the cancellation of the labor relationship with the employee, the enterprise shall, in accordance with beneficiaries of the services offered by the employee, treat the following circumstances respectively:

- (1) The compensation for the employee for producing products or providing services shall be recorded as the product costs and service costs;
- (2) The compensation for the employee for any on-going construction project or for any intangible asset shall be recorded as the costs of fixed asset or intangible assets;
- (3) The compensation for the employee other than those as mentioned in Items (1) and (2) shall be recorded as profit or loss for the current period.

The social insurance such as hospitalization insurance, endowment insurance, unemployment insurance, occupational injury insurance and childbirth insurance; and housing public reserve handed by the company for the staff should be calculated in proportion of total salary according to the relevant regulations of local government during the accounting period of the services the employee supply to the company. Before the expiration of the contract, the company rescinds the labor relationship between the company and the staff or encourage staff accept the suggestion on compensation for accepting reduction at will, at the same time satisfy the following conditions, projected liabilities occurs for confirming rescinding the labor relationship with employee and giving compensation and is reckoned into current gains and losses:

- i. The company officially established the plan on rescinding the labor relationship or brings forward the suggestions on reduction at will, and will be implemented;
- ii. The company could not singly withdraw rescinding the labor relationship or suggestions of reduction.

20. Measurement method of estimated debts

The obligation pertinent to Contingencies shall be recognized as estimated debts when the following conditions are satisfied simultaneously:

- (1) That obligation is a current obligation of the enterprise;
- (2) It is likely to cause any economic benefit to flow out of the enterprise as a result of performance of the obligation;
- (3) The amount of the obligation can be measured in a reliable way.

The Company shall check the book value of the estimated debts on the balance sheet date. If there is any exact evidence indicating that the book value cannot really reflect the current best estimate, the Company will adjust the book value in accordance with the current best estimate.

21. Revenue recognition

(1) The recognition of the revenue from selling goods: the revenue from selling shall be recognized by the following conditions: The significant risks and rewards of ownership of the goods have been transferred to the buyer by the Company; the Company retains neither continuous management right that usually keeps relation with the ownership nor effective control over the sold goods; the relevant amount of revenue can be measured in a reliable way; the relevant revenue and costs of selling goods can be measured in a reliable way.

(2) Giving of asset using rights: Income from giving of assets is recognized when satisfying requirements: related economic benefit flows in very possibly, income can be measured reliably.

1) Amount of interest income is calculated according to the time and actual interest rate of the monetary capital is used by other party.

2) Income of using fee is calculated upon the charge period and calculation provided by the related contract or agreement.

(3) Construction contracts

When the result of the construction contract is able to be evaluated reliably at the balance sheet date, the income and cost of the contract are recognized on completion percentage basis.

If the result of the construction contract is not able to be evaluated reliably, but the contract cost maybe recovered, the income is recognized at the cost actually recovered, and the cost of the contract is recognized as contract expenses of the current period when it is occurred.

1) Contract progress is recognized at the ratio of accumulative actual cost on the predicted complete cost.

2) In case the expected total cost is greater than the total income, the expected loss will be recognized as expense of the current period. If the construction is in process, the balance is accounted as inventory impairment provision; if the contract is not executed, the balance is accounted as expected liability.

22. Calculation method of government grants

The government grants related to the proceeds, if those used for compensating the relevant future expenses or losses of the enterprise shall be recognized as deferred income and shall, during the period when the relevant expenses are recognized, recorded in the current profits and losses; or if those used for compensating the relevant expenses or losses that have been incurred to the enterprise shall be directly recorded in the current profits and losses.

The government grants related to the assets shall be recognized as deferred income and shall be distributed averagely in the related asset using period, then counted into current loss and interest. However, government subsidiary according to nominated amount shall be counted into current loss and interest directly.

23. Income tax

Where there is difference (temporary difference) between the carrying amounts of the assets or liabilities and its tax base, the deferred income tax assets or the deferred income tax liabilities shall be determined. According to tax law, the deductible loss and tax deduction which can deduct the taxable amount in the subsequent years, regarding as temporary difference, shall be recognized as the corresponding deferred income tax assets. As for the temporary difference arising from the initial recognition of the goodwill, the corresponding deferred income tax liabilities. When the temporary difference is arisen from the initial recognition of the assets or liabilities incurring in the transaction which is not business combination and does not affect the accounting profits or the taxable amount (or the deductible loss), the corresponding deferred income tax assets and deferred income tax liabilities shall not be recognized. On the balance sheet date, the deferred income tax assets and deferred income tax liabilities shall be measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled. The Company shall recognize the deferred income tax assets to the extent of the amount of the taxable income which it is likely to obtain and which can be deducted from the deductible temporary difference, deductible loss and tax deduction.

The deferred income tax liabilities arising from the temporary differences related to the investments of subsidiary companies, associated enterprises and joint enterprises shall be recognized. However, the deferred tax income assets and deferred income tax liabilities shall not be recognized which meet the conditions that the Company can control the time of the reverse of temporary differences which are likely to be reversed in the expected future.

24. Earnings per share (EPS)

(1) Basic earnings per share = net profit attributable to common shareholders or net profit attributable to common shareholders after deducting extraordinary items ÷ outstanding weighted average of ordinary shares

(2) Diluted earnings per share = net profit attributable to common shareholders or net profit attributable to common shareholders after deducting extraordinary items ÷ outstanding weighted average of ordinary shares after adjusted

(3) If the outstanding or potential common shareholders change during the report period but do not affect the total amount of shareholders equity, the earnings per share should be recalculated.

If the above changes happened during the date of balance sheet and the date of financial statements approval, the earnings per share of the report period should be recalculated.

25. Changes in accounting policies and estimates

(1) There is no change in accounting policies during the financial year.

(2) There is no change in accounting estimate during the financial year.

26. Correction of the accounting errors from previous term

There is no correction of the accounting error from previous term in this report period.

III. Taxation**1. Value added tax ("VAT")**

The Group is subject to VAT, which is a tax charged on top of the selling price at a general rate of 17% or 13% or 6% depending on different kinds of products. An input credit is available whereby VAT previously paid on purchases of raw materials and semi-finished products can be used to offset the VAT on sales to determine the net VAT payable.

2. The business tax rate is 5% or 3% of revenue.**3. Urban maintenance and construction tax is 7% of turnover tax payable.****4. Education surtax is 3% of turnover tax payable.****5. Local education surtax is 2% of turnover tax payable.****6. Income tax**

(1) Income tax shall be measured at 25% in total.

(2) Income tax of subsidiaries and associates

Taxation on profit of subsidiaries and associates is calculated at the applicable rates in accordance with the relevant tax regulations. Certain subsidiaries and associates enjoy preferential income tax policies with approvals from tax authorities. The applicable income tax rates of major subsidiaries and associates for 2014 are as follows:

Names of the entities	Relationship with the Company	Applicable income tax rate
Dalian Bingshan Group Refrigeration Installation Co., Ltd.	Subsidiary	25%
Dalian Bingshan Air-Conditioning Equipment Co. Ltd.	Subsidiary	25%
Dalian Bingshan Ryosetsu Quick Freezing Equipment Co., Ltd.	Subsidiary	25%
Dalian Bingshan Group Sales Co., Ltd.	Subsidiary	25%
Dalian Bingshan Metal Processing Co. Ltd.	Subsidiary	25%
Dalian Bingshan Guardian Automation Co., Ltd.	Subsidiary	15%
Wuhan New World Refrigeration Industrial Co., Ltd. ("WNWRI")	Subsidiary	15%

IV. Business combination and consolidated financial statements

1. The principal activities of its subsidiaries are shown as below.

As of 30 June 2014 the Company had direct equity interests in the following subsidiaries, all of which were incorporated in the PRC.

In the table below column 'A' represents 'Other essential investment', column 'B' represents 'Amount of minority interest in income statement deducted from minority interest', and column 'C' represents 'Balance after deduction of losses of subsidiaries during the period exceeding the proportion of minority shareholders from equity of parent company'.

Subsidiaries acquired by establishment or investment

No.	Names	Catego- ries	Registere d address	Business nature	Registered capital	Business scope	Investment	A	Shareh olding (%)	Voting right (%)	Consoli dated	Minority interest	B
1	Dalian Bingshan Group Refrigeration Installation Co., Ltd. ("Installation Company")	Ltd.	Dalian	Installation	RMB 20,040,000	Installation and testing of refrigeration equipment	RMB 20,040,000		100	100	Yes		
2	Dalian Bingshan Group Sales Co., Ltd. ("Sales Company")	Ltd.	Dalian	Trading	RMB 18,000,000	Sale of refrigeration equipment	RMB 16,200,000		90	90	Yes	4,386,890.00	28,174.83
3	Dalian Bingshan Air-Conditioning Equipment Co., Ltd. ("Bingshan Air-Conditioning")	Ltd.	Dalian	Manufacturing	JPY 700,000,000	Manufacture and sale of accessories of refrigeration equipment	JPY 490,000,000		70	70	Yes	21,255,221.59	
4	Dalian Bingshan Metal Processing Co., Ltd. ("Metal Processing")	Ltd.	Dalian	Manufacturing	USD 2,350,000	Process and sale of metal punching parts	USD 1,509,875		64.25	64.25	Yes	9,228,909.76	
5	Dalian Bingshan Guardian Automation Co., Ltd.	Ltd.	Dalian	Manufacturing	GBP 210,000	Research, design and develop refrigerator automation parts	GBP 126,000		60	60	Yes	5,897,186.39	
6	Dalian Bingshan Ryosetsu Quick Freezing Equipment Co., Ltd.	Ltd.	Dalian	Manufacturing	USD 1,000,000	Manufacture and sale of deep-freezing equipment	USD 700,000		70	70	Yes	1,874,475.19	151,929.86
7	Wuhan New World Refrigeration Industrial Co., Ltd. ("WNWRI")	Ltd.	Wuhan	Manufacturing	RMB 100,000,000	Design, manufacture, sale, installation and test of screw type refrigeration compressor and refrigeration equipment	RMB 17,980,400		51	51	Yes	61,393,369.66	1,010,356.62

2. The principal activities of its subsidiaries' subsidiaries are shown as below.

In the table below column 'A' represents 'Other essential investment', column 'B' represents 'Amount of minority interest in income statement deducted from minority interest', and column 'C' represents 'Balance after deduction of losses of subsidiaries' subsidiaries during the period exceeding the proportion of minority shareholders from equity of parent company'.

Subsidiaries' subsidiaries acquired by establishment or investment

No.	Names	Catego ries	Registere d address	Business nature	Registered capital	Business scope	Investment	A	Shareh olding (%)	Voting right (%)	Consolidat ed	Minority interest	B
1	Wuhan New World Refrigeration Air Conditioner Engineering Co., Ltd.	Ltd.	Wuhan	Installation	RMB 8,000,000	Design, installation, test and repair of refrigeration equipment	RMB 400,000		5	100	Yes		
2	Ningbo Bingshan Refrigeration Air Conditioner Engineering Co., Ltd.	Ltd.	Ningbo	Installation	RMB 3,000,000	Installation and repair of refrigeration equipment	RMB 1,530,000			51	Yes	2,108,753.51	61,933.25

V. Notes to the consolidated financial statements

1 Monetary fund

Item	30-06-2014	31-12-2013
Cash on hand	27,536.49	99,455.92
Cash in bank	456,538,401.34	493,056,269.04
Others	18,303,578.39	19,747,988.17
Total	474,869,516.22	512,903,713.13

Particular about foreign monetary funds included in the cash in bank:

Foreign currency	30-06-2014			31-12-2013		
	Original currency	Exchange rate	RMB equivalent	Original currency	Exchange rate	RMB equivalent
USD	1,970.01	6.1528	12,121.09	13,288.25	6.0969	81,017.14
JPY	320,506.00	0.060815	19,491.57	1,039,091.00	0.057771	60,029.33
EUR	5.60	8.3946	47.01	5.60	8.4189	47.15
GP	75,462.57	10.4978	792,190.97	27,396.57	10.0556	275,488.95
Total			823,850.64			416,582.57

As of Dec. 31, 2013, Dalian Bingshan Ryosetsu Quick Freezing Equipment Co., Ltd., one of the subsidiary companies of the Company, had 1 million yuan of bank deposit frozen. Except it, there were no accounts having pledge, freezing or potential recovery risks.

2 Notes receivable

Item	30-06-2014	31-12-2013
Bank acceptance	37,190,766.80	30,403,946.87
Trade acceptance	12,231,955.76	9,423,084.90
Total	49,422,722.56	39,827,031.77

(1) There is no pledged notes receivable at the end of report period.

(2) The amount of notes receivable due from related companies are RMB 12,331,955.76, 24.95% of total notes receivable. Please refer to the VI 7 of the notes.

(3) The top five notes receivable endorsed but not matured:

No.	Company	Issued date	Expiration date	Amount	Notes
1	COFCO Meat (Suqian) Co., Ltd.	2014.01.24	2014.07.21	2,313,337.95	Bank acceptance
2	Shandong Zhongxing Carbon Co., Ltd.	2014.04.02	2014.10.02	2,000,000.00	Bank acceptance
3	Tangshan Ganglu Iron & Steel Co., Ltd.	2014.05.05	2014.11.05	2,000,000.00	Bank acceptance
4	Hejian Yingzhou Chemical Co., Ltd.	2014.03.13	2014.09.12	1,748,500.00	Bank acceptance
5	Liaoning Huafeng Chemical Co., Ltd.	2014.04.24	2014.10.23	1,638,000.00	Bank acceptance

3 Dividends receivable

Items	31-12-2013	Current year addition	Current year disposal	30-06-2014	Reasons	Any impairment
Dividends receivable, within 1 year						
Included:	33,450.00		33,450.00			
Wuhan Steel and Electricity Co., Ltd.						
Dalian Sanyo Refrigeration Co., Ltd.		3,200,000.00	1,600,000.00	1,600,000.00	Not due to payment date	No
Dalian Sanyo Compressor Co., Ltd.		16,000,000.00		16,000,000.00	Not due to payment date	No
Guotai Junan Securities Co., Ltd.		1,504,944.75		1,504,944.75	Not due to payment date	No
Total	33,450.00	20,704,944.75	1,633,450.00	19,104,944.75		

4 Interest receivable

Items	31-12-2013	Current year addition	Current year disposal	30-06-2014
Interest receivable, within 1 year				
Included:				
Term deposit interest	3,603,594.85	5,038,021.15	3,443,716.03	5,197,899.97
Total	3,603,594.85	5,038,021.15	3,443,716.03	5,197,899.97

5 Accounts receivable

(1) Classified by account nature

Category	30-06-2014				31-12-2013			
	Balance		Provision for doubtful debt		Balance		Provision for doubtful debt	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Receivables that are individually significant								
Receivables not individually significant but with high risk in groups	561,283,037.19	100	106,589,074.64	18.99	468,499,323.02	100	98,786,576.32	21.09
Other insignificant items								
Total	561,283,037.19	100	106,589,074.64	18.99	468,499,323.02	100	98,786,576.32	21.09

The aging of accounts receivable and related provisions for bad debts

Account ages	30-06-2014			31-12-2013		
	Amount	Proportion (%)	Provision for bad debts	Amount	Proportion (%)	Provision for bad debts
Within 1 year	322,948,111.47	57.54	16,147,405.57	243,385,821.76	51.95	12,169,291.10
1 to 2 years	105,468,259.92	18.79	10,546,825.99	98,061,850.41	20.93	9,806,185.04
2 to 3 years	57,071,615.19	10.17	17,121,484.55	50,264,089.07	10.73	15,079,226.72
3 to 4 years	16,008,375.37	2.85	8,004,187.69	19,255,750.93	4.11	9,627,875.48
4 to 5 years	25,087,522.01	4.47	20,070,017.61	27,139,064.37	5.79	21,711,251.50
Over 5 years	34,699,153.23	6.18	34,699,153.23	30,392,746.48	6.49	30,392,746.48
Total	561,283,037.19	100	106,589,074.64	468,499,323.02	100	98,786,576.32

(2) The company had no receivable account written off before this report period, but was recovered in this period.

(3) During the report period, there is no receivable being recovered by debts reconstruction.

(4) The write-off of accounts receivable

Name of company	The nature of accounts receivable	Written off	Reason	Related party transaction
Clients (36)	Sale of goods	3,063,426.02	①	No

① Description of writing off: The Company's receivables written-off in this reporting period were mainly those treated by the company for long-overdue receivables mainly because some account has been in arrears too long but the amount was relatively less, and some account was unreceivable due to the customer's refusing to pay with the excuse of generation of the field expenses.

(5) No arrearage from the shareholders holding over 5% (including 5%) of the equity of the Company existed in the balance of accounts receivable.

(6) The first five arrearage entities listed in the balance of accounts receivable

Company	The relationship with the Company	Amount	Age	Proportion (%)
Beijing Huashang Bingshan Serial Refrigeration Equipment Co., Ltd.	Affiliated	19,969,094.38	Less than 1 year	3.56
Dalian Xinghai Bay Development & Construction Management Center	Non-affiliated	11,242,693.00	4 to 5 years	2.00
Shenyang Yurun Agricultural Products Global Purchasing Center	Non-affiliated	11,213,000.00	Less than 1 year	2.00
COFCO Meat (Suqian) Co., Ltd.	Non-affiliated	10,136,575.85	1 to 2 years	1.81
FAW Foundry Co., Ltd.	Non-affiliated	8,390,284.31	Less than 1 year	1.49

(7) The amount of accounts receivable due from related companies are RMB 34,015,659.89, 6.06% of total accounts receivable.

Please refer to the VI 7 of the notes.

(8) There is no accounts receivable being ended reorganization or being negotiated during the report period.

6 Other accounts receivable

(1) Classified by account nature

Item	30-06-2014				31-12-2013			
	Balance		Provision for doubtful debt		Balance		Provision for doubtful debt	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Receivables that are individually significant								
Receivables not individually significant but with high risk in groups	41,134,037.52	100	8,139,919.24	19.79	31,792,976.68	100	7,278,236.61	22.89
Other insignificant items								
Total	41,134,037.52	100	8,139,919.24	19.79	31,792,976.68	100	7,278,236.61	22.89

The aging of other accounts receivable and related provisions for bad debts

Account age	30-06-2014			31-12-2013		
	Amount	Proportion (%)	Provision for bad debts	Amount	Proportion (%)	Provision for bad debts
Within 1 year	27,574,373.25	67.04	1,378,718.67	18,000,224.64	56.62	900,011.22
1 to 2 years	4,322,288.36	10.51	432,228.84	4,431,452.84	13.94	443,145.28
2 to 3 years	2,975,028.18	7.23	892,508.45	2,834,825.78	8.92	850,447.74
3 to 4 years	1,228,394.93	2.99	614,197.47	2,032,201.80	6.39	1,016,100.91
4 to 5 years	1,058,434.90	2.57	846,747.91	2,128,700.82	6.70	1,702,960.66
Over 5 years	3,975,517.90	9.66	3,975,517.90	2,365,570.80	7.43	2,365,570.80
Total	41,134,037.52	100	8,139,919.24	31,792,976.68	100	7,278,236.61

(2) There is no amount of provision for bad debts written back during the report period.

(3) During the report period, there is no other account receivable being recovered by debts reconstruction.

(4) There is no amount of other accounts receivable written-off during the report period.

(5) There is no balance of other accounts receivable due from the shareholders holding over 5% (including 5%) of the equity of the Company.

(6) The first five arrearage entities of other accounts receivable

Company	The relationship with the Company	Amount	Age	Proportion
Dalian Land Reserve Center	Non-affiliated	10,000,000.00	Less than 1 year	24.31
Baicheng Longdan Dairy Co., Ltd.	Non-affiliated	1,004,519.00	2-3 years	2.44
Tianjin Construction Team Communication Service Center	Non-affiliated	1,000,000.00	Over 5 years	2.43
Wuhan Jinqun Refrigeration Equipment Installation Co., Ltd.	Non-affiliated	736,110.00	1-2 years	1.79
Hebei Jinwei New Building Materials Co., Ltd. Hubei Branch	Non-affiliated	653,800.00	2-3 years	1.59

(7) There is no amount of other accounts receivable due from related companies during the report period.

(8) There is no other accounts receivable being ended reorganization or being negotiated during the report period.

7 Accounts paid in advance

(1) The aging of accounts paid in advance

Account ages	30-06-2014		31-12-2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	25,116,718.23	71.29	24,786,019.32	95.21
1 to 2 years	8,927,972.41	25.34	64,112.00	0.25
2 to 3 years	107,863.00	0.30	1,178,768.00	4.53
Over 3 years	1,080,768.00	3.07	2,487.00	0.01
Total	35,233,321.64	100	26,031,386.32	100

(2) The first five arrearage entities listed in the balance of accounts paid in advance

Company	The relationship with the Company	Amount	Age	Reasons
Binzhou Shanfu Refrigeration Engineering Co., Ltd.	Non-affiliated	3,918,000.00	Less than 1 year	Prepayment for goods
Dalian Tony Info. & Tech. Co., Ltd.	Non-affiliated	2,499,000.00	Less than 1 year	Prepayment for goods
Wuhan Jinqun Refrigeration Equipment Installation Co., Ltd.	Non-affiliated	1,798,500.00	Less than 1 year	Prepayment for goods
Dalian Mingxin Refrigerating & Heat Preserving Materials Co., Ltd.	Non-affiliated	1,491,774.15	Less than 1 year	Prepayment for goods
Liaoning Electric Power Supply Co., Ltd. Dalian Branch	Non-affiliated	1,489,584.73	Less than 1 year	Prepayment for goods
Total		11,196,858.88		

(3) No arrearage from the shareholders holding over 5% (including 5%) of the equity of the Company existed in the balance of accounts paid in advance.

(4) There is no amount of accounts paid in advance due from related companies during the report period.

8 Inventories

(1) Cost

Items	30-06-2014			31-12-2013		
	Book balance	Provision for impairment of inventories	Book value	Book balance	Provision for impairment of inventories	Book value
Raw materials	51,756,874.40	8,125,074.35	43,631,800.05	47,474,131.66	8,311,074.35	39,163,057.31
Materials on Consignment for further processing	6,695,410.48		6,695,410.48	8,211,392.69		8,211,392.69
Low-value consumptions	134,070.69		134,070.69	128,405.67		128,405.67
Work-in-progress	54,968,148.77	2,148,729.50	52,819,419.27	91,806,242.88	2,148,729.50	89,657,513.38
Self-manufactured semi-finished products	38,497,502.24	4,024,041.73	34,473,460.51	33,279,512.91	4,024,041.73	29,255,471.18
Finished goods	114,919,257.38	3,291,858.85	111,627,398.53	135,195,482.98	3,291,858.85	131,903,624.13
Constructing projects	22,282,767.29		22,282,767.29	27,211,543.05		27,211,543.05
Total	289,254,031.25	17,589,704.43	271,664,326.82	343,306,711.84	17,775,704.43	325,531,007.41

(2) Provision for impairment of inventories

Item	31-12-2013	Current year addition	Current year disposal		30-06-2014
			Reversal	Written-off	
Finished goods	3,291,858.85				3,291,858.85
Raw materials	8,311,074.35			186,000.00	8,125,074.35
Work-in-progress	2,148,729.50				2,148,729.50
Self-manufactured semi-finished products	4,024,041.73				4,024,041.73
Total	17,775,704.43			186,000.00	17,589,704.43

(3) Details of provision for impairment of inventories

Item	The bases of provision for impairment of inventories	Reasons for reversal	Proportion of reversal of provision for impairment of inventories to closing balance
Finished goods	The book balance is higher than recoverable amount.		
Work-in-progress	The book balance is higher than recoverable amount.		
Self-manufactured semi-finished products	The book balance is higher than recoverable amount.		
Raw materials	The book balance is higher than recoverable amount.		

9 Other current assets

Item	30-06-2014	31-12-2013
Prepaid income tax		73,111.98
Insurance premiums to be amortized	2,080,367.89	922,487.82
Total	2,080,367.89	995,599.80

10、Investment to Associates and Joint ventures

No.	Name	Categories	Registered address	Legal represent person	Business nature	Registered capital	Shareholding (%)	Voting right (%)	30-06-2014 Total assets	30-06-2014 Total liabilities	30-06-2014 Total net assets	Total Income of 2014.01-06	Net profit of 2014.01-06
I Associates													
1	Dalian Bingshan - P&A Recreation Development Engineering Co., Ltd.	Sino-foreign joint venture	Dalian	Yang Bin	Installation	USD 250,000	50%	50%	16,491,413.67	9,064,910.33	7,426,503.34	7,446,769.63	478,196.58
II Joint venture													
1	Dalian Bingshan Engineering & Trading Co., Ltd.	Ltd	Dalian	Fan Wen	Trading	RMB 30,000,000	24%	24%	108,586,712.49	52,792,551.98	55,794,160.51	94,905,583.27	4,052,156.68
2	Dalian Sanyo Refrigeration Co., Ltd.	Sino-foreign joint venture	Dalian	Ji Zhijian	Manufacturing	JPY 3,450,000,000	40%	40%	719,635,460.19	344,974,230.56	374,661,229.63	452,599,249.63	5,318,421.82
3	Dalian Honjo Chemical Co., Ltd.	Sino-foreign joint venture	Dalian	Honjo Yukinori	Manufacturing	JPY 260,000,000	30%	30%	35,994,992.03	6,123,980.08	29,871,011.95	14,364,949.72	2,534,839.18
4	Panasonic Cold-chain (Dalian) Co., Ltd.	Sino-foreign joint venture	Dalian	Ji Zhijian	Manufacturing	JPY 4,650,000,000	40%	40%	1,494,004,793.57	977,651,698.55	516,353,095.02	939,928,952.97	8,174,652.15
5	Keinin-Grand Ocean Thermal Technology (Dalian) Co., Ltd.	Sino-foreign joint venture	Dalian	Takumi Ishii	Manufacturing	USD 15,117,890	20%	20%	314,228,047.51	135,410,472.01	178,817,575.50	286,306,907.58	20,800,431.70
6	Dalian Sanyo Compressor Co., Ltd.	Sino-foreign joint venture	Dalian	Zhao Zihai	Manufacturing	JPY 6,200,000,000	40%	40%	2,079,595,311.25	1,063,851,292.09	1,015,744,019.16	1,255,325,747.10	92,039,692.56
7	Dalian Sanyo Meica Electronics Co., Ltd.	Sino-foreign joint venture	Dalian	Wang Jian	Manufacturing	JPY 400,000,000	30%	30%	101,488,951.55	21,562,782.47	79,926,169.08	64,105,520.36	2,069,021.09
8	Beijing Huashang Bingshan Refrigeration and Air-conditioning Machinery Co., Ltd.	Sino-foreign joint venture	Beijing	Yang Bin	Trading	RMB 1,000,000	49%	49%	21,022,915.56	18,393,938.49	2,628,977.07	13,523,452.83	72,802.11
9	Dalian Fuji Bingshan Vending Machine Co., Ltd.	Sino-foreign joint venture	Dalian	Asahi Hidehiko	Manufacturing	JPY 1,800,000,000	49%	49%	297,178,125.40	119,499,256.11	177,678,869.29	194,187,243.81	20,008,126.71
10	Dalian Sanyo High-Efficient Refrigeration System Co., Ltd.	Sino-foreign joint venture	Dalian	Wang Jian	Manufacturing	RMB 80,000,000	25%	25%	116,511,857.32	27,369,600.10	89,142,257.22	62,793,770.84	1,026,999.17
11	MHI Bingshan Refrigeration (Dalian) Co., Ltd.	Sino-foreign joint venture	Dalian	Ji Zhijian	Manufacturing	RMB 80,000,000	45%	45%	46,944,942.96	248,859.31	46,696,083.65		-3,303,916.35

11、Long-term equity investments

No.	Name	Calculation method	Initial cost	Beginning balance	Changes	Ending balance	Shareholding (%)	Voting right (%)	Provision for impairment	Provision for impairment of the current period	Cash dividend of the current period
1	Dalian Bingshan – P&A Recreation Development Engineering Co., Ltd.	Equity method	1,034,675.00	3,474,153.38	215,188.46	3,689,341.84	50	50			
2	Dalian Jiale Vending Machine Operation Co., Ltd.	Equity method	18,750,000.00	14,333,183.59	-14,333,183.59		50	50			
3	Dalian Bingshan Engineering & Trading Co., Ltd.	Equity method	1,200,000.00	13,138,080.92	252,517.60	13,390,598.52	24	24			720,000.00
4	Dalian Sanyo Refrigeration Co., Ltd.	Equity method	85,416,929.20	150,937,123.13	-1,391,736.58	149,545,386.55	40	40			3,200,000.00
5	Dalian Honjo Chemical Co., Ltd.	Equity method	3,908,911.50	9,452,973.22	-537,296.75	8,915,676.47	30	30			1,252,121.40
6	Panasonic Cold-chain (Dalian) Co., Ltd.	Equity method	134,658,753.75	215,712,008.04	-4,991,728.01	210,720,280.03	40	40			8,000,000.00
7	Keinin-Grand Ocean Thermal Technology (Dalian) Co., Ltd.	Equity method	24,402,234.58	40,403,428.77	-4,639,913.66	35,763,515.11	20	20			8,800,000.00
8	Dalian Sanyo Compressor Co., Ltd.	Equity method	176,953,841.88	385,481,730.63	17,870,606.86	403,352,337.49	40	40			16,000,000.00
9	Dalian Sanyo Meica Electronics Co., Ltd.	Equity method	9,649,590.00	23,373,393.16	558,635.69	23,932,028.85	30	30			
10	MHI Bingshan Refrigeration (Dalian) Co., Ltd.	Equity method	22,500,000.00	22,500,000.00	-1,486,762.36	21,013,237.64	45	45			
11	Beijing Huashang Bingshan Refrigeration and Air-conditioning Machinery Co., Ltd.	Equity method	490,000.00	1,175,056.73	35,673.03	1,210,729.76	49	49			
12	Dalian Fuji Bingshan Vending Machine Co., Ltd.	Equity method	66,416,364.00	77,258,663.86	9,803,982.09	87,062,645.95	49	49			
13	Dalian Sanyo High-Efficient Refrigeration System Co., Ltd.	Equity method	20,000,000.00	22,028,814.51	236,209.81	22,265,024.32	25	25			
14	Dalian Sanyo Home Appliance Co., Ltd.	Equity method	19,666,212.00	11,694,400.00		11,694,400.00	10.91	10.91	11,694,400.00		
15	Zibo Electric Traction Machine Group Co., Ltd.	Cost method	849,000.00	849,000.00		849,000.00	1.52	1.52	849,000.00		
16	Liaoning Mec Group Co., Ltd.	Cost method	1,020,000.00	1,020,000.00		1,020,000.00	3.57	3.57			250,000.00
17	Guotai Junan Securities Co., Ltd.	Cost method	30,098,895.00	30,098,895.00		30,098,895.00	0.49	0.49	1,582,164.89		1,504,944.75
18	Guotai Junan Investment Management Co., Ltd.	Cost method	3,057,316.00	3,057,316.00		3,057,316.00	0.22	0.22	2,688,605.91		
19	Thermo King Container Temperature Control (Suzhou) Co., Ltd.	Cost method	11,207,806.00	11,207,806.00		11,207,806.00	17.8	17.8			
20	Liaoning Enterprises United Industry Company	Cost method	105,000.00	105,000.00		105,000.00	4.2	4.2	105,000.00		
21	Dalian Bingshan Group Materials Trading Co., Ltd.	Cost method	250,000.00	250,000.00		250,000.00	5	5			
22	Wuhan Steel and Electricity Co., Ltd.	Cost method	1,315,142.50	1,315,142.50		1,315,142.50	0.056	0.056			
Total			632,950,671.41	1,038,866,169.44	1,592,192.59	1,040,458,362.03			16,919,170.80		39,727,066.15

Note 1: On Oct. 22, 2013, the 6th meeting of the 6th Board of Directors of the Company adopted the resolution that the Company and Fuji Motor Co., Ltd. transferred 50% of their respective shareholding in Dalian Jiale Vending Machine Operation Co., Ltd. to the independent third party -- Shanghai Miyuan Beverage Co., Ltd., the base date for transfer was Jun. 30, 2013, and the amount for the Company's transfer was 15 million yuan. In Jan. 2014, the Company received the said transfer amount paid by Shanghai Miyuan Beverage Co., Ltd. and the transfer was completed.

12 Fixed assets**(1) Fixed assets details**

Item	31-12-2013	Current year addition	Current year disposal	30-06-2014
1. Original value	913,961,088.84	3,271,705.69	4,837,322.31	912,395,472.22
Including: Buildings	324,921,042.20	303,500.00		325,224,542.20
Machinery	546,287,932.41	1,563,269.30	2,280,708.75	545,570,492.96
Vehicles	26,339,639.82	789,017.33	873,106.70	26,255,550.45
Other equipments	16,412,474.41	615,919.06	1,683,506.86	15,344,886.61
2. Accumulated depreciation	515,881,978.89	18,243,165.48	4,069,011.34	530,056,133.03
Including: Buildings	114,110,616.94	3,894,461.94		118,005,078.88
Machinery	374,910,428.66	12,702,173.32	2,144,789.83	385,467,812.15
Vehicles	14,176,230.80	1,109,798.65	732,970.67	14,553,058.780
Other Equipments	12,684,702.49	536,731.57	1,191,250.84	12,030,183.22
3. Net book value	398,079,109.95			382,339,339.19
Including: Buildings	210,810,425.26			207,219,463.32
Machinery	171,377,503.75			160,102,680.81
Vehicles	12,163,409.02			11,702,491.67
Other Equipments	3,727,771.92			3,314,703.39
4. Provision for impairment	2,812,966.25			2,292,372.99
Including: Buildings				
Machinery	2,812,966.25			2,292,372.99
Vehicles				
Other Equipments				
5. Fixed assets net	395,266,143.70			380,046,966.20
Including: Buildings	210,810,425.26			207,219,463.32
Machinery	168,564,537.50			157,810,307.82
Vehicles	12,163,409.02			11,702,491.67
Other Equipments	3,727,771.92			3,314,703.39

(2) All the accumulated depreciation increased during the current period was depreciation of the current period.

(3) The original value of fixed assets RMB 1,470,867.17 transferred from construction in progress during the report period.

(4) There were no idle fixed assets during the current period.

(5) There were no leased fixed assets during the current period.

(6) Wuhan New World Refrigeration Industrial Co. Ltd. borrowed RMB 40,000,000 from bank and mortgaged with its building and land use rights.

(7) Fixed assets without owner's certificates

Items	Reason	Expected time
The casting workshop was moved to a new factory building and office.	Handling	
Workshop of Dalian Bingshan Air-Conditioning Equipment Co. Ltd.	Less some documents	
Departments from debts reconstruction	Less some documents	

13 Construction in progress

Name of projects	Budget	31-12-2013	Current year addition	Current year decrease	30-06-2014	Sources of funds	Percentage of completion
Buildings	90,000,000.00	66,977,556.15	16,043,238.14		83,020,794.29	others	92%
Machinery		1,485,266.93	531,480.00	1,470,867.17	545,879.76	others	
Total		68,462,823.08	16,574,718.14	1,470,867.17	83,566,674.05		

(1) No interests capitalized during the current period.

(2) The amount of construction in progress RMB 1,470,867.17 was transferred to fixed assets.

14 Intangible assets**(1) Intangible assets details**

Item	31-12-2013	Current year addition	Current year disposal	30-06-2014
1.Original cost	183,991,724.45	1,853,800.00		185,845,524.45
Land use rights	176,504,398.53			176,504,398.53
Non-patented technology	515,224.41			515,224.41
Others	6,972,101.51	1,853,800.00		8,825,901.51
2.Amortization	28,801,493.94	2,103,901.84		30,905,395.78
Land use rights	25,336,568.19	1,765,042.92		27,101,611.11
Non-patented technology	515,224.41			515,224.41
Others	2,949,701.34	338,858.92		3,288,560.26
3. Net book value	155,190,230.51			154,940,128.67
Land use rights	151,167,830.34			149,402,787.42
Non-patented technology				
Others	4,022,400.17			5,537,341.25
4.Provision for impairment				
Land use rights				
Non-patented technology				
Others				
5.Net value	155,190,230.51			154,940,128.67
Land use rights	151,167,830.34			149,402,787.42
Non-patented technology				
Others	4,022,400.17			5,537,341.25

(2) RMB 2,103,901.84 yuan of intangible assets was amortized in this period.

(3) Wuhan New World Refrigeration Industrial Co. Ltd. borrowed RMB 40,000,000 from bank and mortgaged with its building and land use rights.

15 Long-term expense to be apportioned

Item	31-12-2013	Current year addition	Current year disposal	30-06-2014
Employee dormitory use right	2,843,040.30		69,239.16	2,773,801.14
Decoration expenses	927,007.46	491,637.09	265,392.84	1,153,251.71
Inspection & Service expense	131,701.95		24,253.66	107,448.29
Total	3,901,749.71	491,637.09	358,885.66	4,034,501.14

16 Deferred tax assets**(1) Deferred tax assets conformed**

Item	30-06-2014	31-12-2013
Provision for bad debts	16,711,801.35	14,350,578.95
Provision for obsolete inventory	4,368,698.69	4,415,198.69
Impairment provision of fixed assets	573,093.24	703,241.56
Total	21,653,593.28	19,469,019.20

(2) Deferred tax assets not conformed

Item	30-06-2014	31-12-2013
Provision for the impairment of long-term equity investments	16,919,170.80	16,919,170.80
Provision for bad debts	40,813,556.82	39,739,180.37
Total	57,732,727.62	56,658,351.17

(3) Temporary differences

Items	Temporary differences
Provision for impairment	96,860,940.50
Total	96,860,940.50

17 Provision for impairment

Items	31-12-2013	Current year addition	Current year disposal		30-06-2014
			Reversal	Written off	
1.Bad debts provision	106,064,812.93	11,727,606.97		3,063,426.02	114,728,993.88
2.Provision for obsolete inventories	17,775,704.43			186,000.00	17,589,704.43
3.Provision for the impairment of financial assets available for sale					
4.Provision for the impairment of held to maturity investments					
5.Provision for the impairment of long-term equity investments	16,919,170.80				16,919,170.80
6.Provision for the impairment of investing property					
7.Provision for the impairment of fixed assets	2,812,966.25			520,593.26	2,292,372.99
8.Provision for the impairment of construction materials					
9.Provision for the impairment of construction in progress					
10.Provision for the impairment of bearer biological assets					
11.Provision for the impairment of oil assets					
12.Provision for the impairment of intangible assets					
13.Provision for the impairment of goodwill					
14.Provision for the impairment of other assets					
Total	143,572,654.41	11,727,606.97		3,770,019.28	151,530,242.10

18 Short-term loans

Terms of borrowing	30-06-2014	31-12-2013
Credit loan		
Mortgage loan	40,000,000.00	37,500,000.00
Total	40,000,000.00	37,500,000.00

(1) Wuhan New World Refrigeration Industrial Co. Ltd. borrowed short-term loan RMB 40,000,000 from bank and mortgaged with its building and land use rights.

(2) There was no short-term loan due to pay at the end of the report period.

19 Notes payable

Item	30-06-2014	31-12-2013
Bank acceptance notes	76,464,146.94	47,070,444.13
Trade acceptance notes	13,497,800.69	33,223,071.04
Total	89,961,947.63	80,293,515.17

(1) The amount of notes payable due within the next report period is RMB 89,961,947.63.

(2) The amount of notes payable due to related companies is RMB 19,635,005.39, 21.83% of total notes payable. Please refer to the VI 7 of the notes.

20 Accounts payable

Ages	30-06-2014	31-12-2013
	Amount	Amount
Within 1 year	484,263,733.67	413,250,580.87
1 to 2 years	36,815,897.35	25,101,084.59
2 to 3 years	8,642,632.89	10,862,165.41
3 to 4 years	6,498,145.38	10,007,609.12
4 to 5 years	5,329,763.93	1,145,059.67
Over 5 years	4,968,077.20	4,496,765.35
Total	546,518,250.42	464,863,265.01

(1) No amount due to the shareholders holding over 5% (including 5%) of the equity of the Company existed in the balance of accounts payable at the end of current period.

(2) The amount of accounts payable due to related companies is RMB 30,979,340.39, 5.67% of total accounts payable. Please refer to the VI 7 of the notes.

21 Accounts received in advance

Ages	30-06-2014	31-12-2013
	Amount	Amount
Within 1 year	79,977,214.39	147,136,295.71
1 to 2 years	36,043,194.68	16,796,570.29
2 to 3 years	11,085,108.88	5,369,183.13
3 to 4 years	3,846,041.98	4,955,873.83
4 to 5 years	4,606,544.18	1,815,734.25
Over 5 years	2,800,524.83	1,164,731.78
Total	138,358,628.94	177,238,388.99

(1) There were no accounts due to the shareholders holding over 5% (including 5%) of the equity of the Company existed in the balance of accounts received in advance at the end of current period.

(2) The amount of accounts received in advance due to related companies is RMB 304,483.00, 0.22% of total accounts received in advance. Please refer to the VI 7 of the notes.

(3) Most of the amount of accounts received in advance aged more than one year was unsettled contract payments on construction in progress.

22 Employee's compensation payable

Item	31-12-2013	Current year addition	Current year reduction	30-06-2014
1. Wages and salaries, bonuses, allowances and subsidies	24,272,411.57	95,296,688.79	111,698,973.44	7,870,126.92
2. Staff welfare	24,712,862.37	3,605,446.65	3,445,778.78	24,872,530.24
3. Social insurance	1,639,866.75	22,994,845.08	23,782,179.43	852,532.40
Including: ① Medical insurance		5,710,521.25	5,710,521.25	
② Retirement pension		13,805,176.60	13,805,176.60	
③ Unemployment insurance		953,910.79	953,910.79	
④ Injury insurance premium		429,296.63	429,296.63	
⑤ Pregnancy insurance		173,758.15	173,758.15	
⑥ Housing subsidies	1,639,866.75		787,334.35	852,532.40
⑦ Heating subsidies		1,922,181.66	1,922,181.66	
4. Housing fund	2,044,853.42	13,501,429.37	13,336,111.25	2,210,171.54
5. Labor union fee and employee education fee	910,036.91	2,279,596.61	2,187,706.42	1,001,927.10
6. Non-currency welfare		211,281.00	211,281.00	
7. Redemption for terminations of labor contract				
8. Other				
Total	53,580,031.02	137,889,287.50	154,662,030.32	36,807,288.20

There was no amount delay paid at the end of the report period.

23 Taxes payable

Item	30-06-2014	31-12-2013
Value-added tax	12,913,539.54	2,725,964.48
Business tax	1,775,498.10	1,890,363.25
City maintenance and construction tax	1,081,325.99	531,714.02
Enterprise income tax	4,232,256.68	14,915,676.15
Individual income tax	4,388,372.34	717,852.43
Stamp duty	46,292.66	44,629.25
Extra-charges for education	449,445.82	175,079.78
Extra-charges for local education	293,817.40	110,906.70
Water project fund/River route maintenance fee	24,477.74	547,873.15
Safeguard fund for disables	528.00	420.00
Embankment tax		28,920.27
Land tax	217,274.88	434,549.74
Real estate tax		373,581.64
Total	25,422,829.15	22,497,530.86

24 Dividend payable

Name of investors	30-06-2014	31-12-2013
Legal person shares	1,433,156.00	2,053,911.36
Total	1,433,156.00	2,053,911.36

The amount of dividend payable at the end of the report period didn't include dividend payable to shareholders which hold over 5% (including 5%) of the equity of the Company.

25 Other accounts payable

Ages	30-06-2014	31-12-2013
	Amount	Amount
Within 1 year	22,908,342.92	29,586,977.60
1 to 2 years	2,428,714.54	3,640,918.43
2 to 3 years	1,607,092.39	2,003,306.90
3 to 4 years	2,000,464.90	2,981,861.66
4 to 5 years	2,974,240.66	2,416,554.17
Over 5 years	13,683,792.44	11,299,745.27
Total	45,602,647.85	51,929,364.03

(1) There were RMB 11,102,457.52 due to the shareholders holding over 5% (including 5%) of the equity of the Company—Dalian Bingshan Group Co., Ltd., and mainly because subsidiary company borrowed for moving to new location.

(2) The amount of other accounts payable due to related companies is RMB 11,251,811.07, 24.67% of total other accounts payable. Please refer to the VI 7 of the notes.

(3) Most of the amount of other accounts payable aged more than one year was owed to Dalian Bingshan Group Co., Ltd.

26 Other non-current liabilities —Deferred income

Item	30-06-2014	31-12-2013
Contribution to subsidiary company relocation	557,000.00	1,114,000.00
Subsidy fund for highly effective heat pump and related system	292,550.50	585,101.00
Total	849,550.50	1,699,101.00

For the above deferred incomes, it should be carried forward in 2014 as the schedule for transferring it into the profit statement.

27 Other non-current liabilities —Deferred income

Item	30-06-2014	31-12-2013
Subsidy fund for highly effective heat pump and related system	4,289,394.00	4,289,394.00
Contribution to subsidiary company relocation	46,788,000.00	46,788,000.00
Big capacity of sea water pre-freeze project of Project 863	12,114,960.35	15,549,945.60
Total	63,192,354.35	66,627,339.60

The balance of above items didn't meet the conditions being converted to income at the end of the report period.

28 Share capitals

Item	31-12-2013	Issuance of new shares	Shares converted from reserve	Others	30-06-2014
I. Non-circulating share capital with restricted trade conditions					
1. State-owned shares					
2. Shares held by domestic legal persons					
3. Other domestic shares	19,221,526.00				19,221,526.00
Including: Shares held by domestic legal persons	19,213,921.00				19,213,921.00
Including: Shares held by domestic natural person	7,605.00				7,605.00
II. Circulating share capital					
1. Domestically listed ordinary shares (A-share)	215,793,449.00				215,793,449.00
2. Domestically listed ordinary shares (B-share)	115,000,000.00				115,000,000.00
III. Total	350,014,975.00				350,014,975.00

29 Capital surpluses

Item	31-12-2013	Current year addition	Current year reduction	30-06-2014
Capital premium	515,188,976.98			515,188,976.98
Other capital surplus	69,672,306.23		15,000.00	69,657,306.23
Total	584,861,283.21		15,000.00	584,846,283.21

30 Surplus reserves

Item	31-12-2013	Current year addition	Current year reduction	30-06-2014
statutory surplus reserves	261,485,947.00			261,485,947.00
free surplus reserves	244,047,118.25	29,065,684.79		273,112,803.04
Total	505,533,065.25	29,065,684.79		534,598,750.04

The increase of the surplus reserves was because the other reserved capital were withdrawn on the basis of 20% of the Company's net profit of 2013 according to the resolution of the Shareholders' General Meeting of year 2013.

31 Retained earnings

Items	Amount	Extraction or allocation proportion
Retained earnings at the end of prior year	466,608,867.00	
Add: Changes in accounting policies		
At beginning of the year after retrospective adjustment	466,608,867.00	
Add: Net profit	66,477,633.28	
Less: Appropriation of statutory surplus reserves		
Appropriation of free surplus reserves	29,065,684.79	20% of net profit of the Company of year 2013
Appropriation of employee's welfare and bonus fund in foreign invested company	119,047.87	
Cash dividends	52,502,246.25	RMB 0.15 per share
Retained earnings at the end of the current year	451,399,521.37	

32 Revenue and cost of sales**(1) Business income and cost**

Items	2014.01-06	2013.01-06
Operating income	774,912,253.19	792,124,153.23
Key business income	762,976,180.18	781,945,848.39
Other business income	11,936,073.01	10,178,304.84
Operating cost	609,950,440.82	620,886,543.64
Key business cost	598,638,940.68	612,570,078.48
Other business cost	11,311,500.14	8,316,465.16

(2) Key business (type) :

Name of type	2014.01-06		2013.01-06	
	Revenue	Cost	Revenue	Cost
Manufacturing	762,976,180.18	598,638,940.68	781,945,848.39	612,570,078.48

(3) Key business (product) :

Name of product	2014.01-06		2013.01-06	
	Revenue	Cost	Revenue	Cost
Refrigeration equipments	762,976,180.18	598,638,940.68	781,945,848.39	612,570,078.48

(4) Key business (region) :

Name of region	2014.01-06		2013.01-06	
	Revenue	Cost	Revenue	Cost
North-east of China	591,705,529.73	480,596,639.82	590,919,291.04	471,649,196.95
East of China	12,034,083.18	10,107,026.32	10,554,770.03	8,699,608.75
Centre of China	159,236,567.27	107,935,274.54	180,471,787.32	132,221,272.78
Total	762,976,180.18	598,638,940.68	781,945,848.39	612,570,078.48

(5) Top five customers

Name	Revenue	Percentage of total business income (%)
Dalian Bingshan Engineering & Trading Co., Ltd.	51,801,413.84	6.68
Beijing Huashang-Bingshan Refrigerating & Air-conditioning Complete Equipment Co., Ltd.	33,544,521.62	4.33
Shenyang Yurun Agricultural Products Global Purchasing Center	14,327,350.44	1.85
Ili Chuanning Biotechnology Co., Ltd.	13,829,059.82	1.78
Huafon Chongqing Spandex Co., Ltd.	13,761,538.46	1.78
Total	127,263,884.18	16.42

33 Business taxes and surcharges

Item	2014.01-06	2013.01-06	Basis of taxes calculated
Business tax	836,183.52	693,802.89	3% or 5% of Revenue
City maintenance and construction tax	3,211,160.39	3,029,455.20	7% of Business tax and Value-added tax
Additional education Fees	1,377,841.69	1,167,781.94	3% of Business tax and Value-added tax
Local educational fee	918,538.25	763,858.52	2% of Business tax and Value-added tax
Embankment expenses	125,694.96	110,327.65	
Total	6,469,418.81	5,765,226.20	

34 Selling and distribution expenses

Items	2014.01-06	2013.01-06
Handle official business expenses	2,479,958.80	2,117,556.59
Salaries and subsidies	25,847,629.40	20,829,431.85
Depreciation expenses	250,494.54	266,366.89
Transportations expenses	6,609,873.54	5,416,659.97
Entertainment expenses	3,170,406.48	4,121,601.35
Traveling expenses	6,261,527.19	8,393,449.44
Maintenance and repair expenses	3,040,090.24	3,773,656.52
Advertise and bids expenses	804,797.22	888,762.65
Others	436,623.10	573,858.09
Total	48,901,400.51	46,381,343.35

35 Administrative expenses

Items	2014.01-06	2013.01-06
Handle official business expenses	6,261,525.85	5,495,996.27
Salaries and subsidies	51,370,661.40	50,123,180.61
Depreciation expenses	3,573,094.77	3,353,905.34
Transportations expenses	745,869.70	684,763.80
Entertainment expenses	2,230,602.65	2,060,029.13
Traveling expenses	1,987,252.27	2,154,686.39
Maintenance and repair expenses	2,988,658.33	3,113,016.21
Advertise expenses	430,705.79	250,197.35
Other taxes	4,232,710.57	5,527,095.24
Insurance expenses	1,586,520.05	1,279,712.96
Research and development expenses	8,959,019.18	7,608,134.32
Amortization of long term assets	2,166,811.00	2,147,650.88

Design consultant and test service expenses	2,723,594.26	1,975,676.93
Others	505,756.54	1,210,104.29
Total	89,762,782.36	86,984,149.72

36 Financial expenses

Items	2014.01-06	2013.01-06
Interest expenses	1,578,018.01	1,367,645.83
Less: interest income	5,861,187.92	3,697,556.93
Losses/gain on exchange	106,537.45	-25,670.74
Other expenses	378,947.63	270,465.01
Total	-3,797,684.83	-2,085,116.83

37 Gain/ (loss) from investments

(1) Categories

Items	2014.01-06	2013.01-06
Calculated by cost method	1,754,944.75	500,000.00
Calculated by equity method	53,897,497.58	43,570,614.51
Investment income due to disposal of the equity of associated company	681,816.41	
Total	56,334,258.74	44,070,614.51

(2) Calculated by cost method

Name	2014.01-06	2013.01-06	Reason of changes
Guotai Junan Securities Co., Ltd.	1,504,944.75		Dividend distribution
Liaoning Mec Group Co., Ltd.	250,000.00	500,000.00	Decrease of dividend distribution
Total	1,754,944.75	500,000.00	

(3) Calculated by equity method (more than 5% of profit)

Name	2014.01-06	2013.01-06	Reason of changes
Panasonic Cold-chain (Dalian) Co., Ltd		4,176,780.36	
Keinin-Grand Ocean Thermal Technology (Dalian) Co., Ltd.	4,160,086.34	4,558,809.00	Decrease of business profit
Dalian Sanyo Compressor Co., Ltd.	33,870,606.86	31,248,034.91	Increase of business profit
Dalian Fuji Bingshan Vending Machine Co., Ltd.	9,803,982.09		
Total	47,834,675.29	39,983,624.27	

(4) There was no severe constrict on the collection of the investment earnings.

38 Impairment losses

Items	2014.01-06	2013.01-06
Bad debt provision	11,727,606.97	11,692,077.89
Provision for obsolete inventories		
Provision for the impairment of available-for-sale financial assets		
Provision for the impairment of held to maturity investments		
Provision for the impairment of long-term equity investments		
Provision for the impairment of investing property		
Provision for the impairment of fixed assets		
Provision for the impairment of construction materials		
Provision for the impairment of construction in progress		

Provision for the impairment of bearer biological assets		
Provision for the impairment of oil assets		
Provision for the impairment of intangible assets		
Provision for the impairment of goodwill		
Provision for the impairment of other assets		
Total	11,727,606.97	11,692,077.89

39 Non-business incomes

(1)Details

Item	2014.01-06	2013.01-06	Amount recorded into extraordinary profit and loss in the current period
Gain on the disposal of non-current assets	2,044.63	240,775.86	2,044.63
Including: gain on the disposal of fixed assets	2,044.63	240,775.86	2,044.63
gain on disposal of intangible assets			
Penalty and fine income	122,360.26	46,798.83	122,360.26
Subsidy fund from government	638,030.76	865,155.39	76,824.42
Deferred income	4,284,535.75	4,137,878.88	3,434,985.25
Debts need not paid			
Others	3,023.77		3,023.77
Total	5,049,995.17	5,290,608.96	3,639,238.33

(2) Subsidy fund from government

Items	2014.01-06	2013.01-06	Explanations
Fund subsidies according to economic support policies	76,300.00	20,300.00	Related to Gain/ loss
Tax refund	561,730.76	844,855.39	Related to Gain/ loss
Total	638,030.76	865,155.39	

40 Non-business expenses

Item	2014.01-06	2013.01-06	Amount recorded into extraordinary profit and loss in the current period
Loss on the disposal of non-current assets	129,041.96	222,418.65	129,041.96
Including: loss on the disposal of fixed assets	129,041.96	222,418.65	129,041.96
Fines and penalties	11,514.40	41,651.81	11,514.40
Others	66,263.76		66,263.76
Total	206,820.12	264,070.46	206,820.12

41 Income tax expense

Item	2014.01-06	2013.01-06
Current income tax expense	5,937,957.94	6,721,007.66
Deferred income tax expense	-2,186,324.08	-2,208,944.81
Total	3,751,633.86	4,512,062.85

42、Basic earnings per share and diluted earnings per share calculation process

(1)Calculation result

Net profit of the reporting period	2014.01-06		2013.01-06	
	Basic earnings per share	Diluted earnings per share	Basic earnings per share	Diluted earnings per share
Profit attributable to the Company(I)	0.19	0.19	0.19	0.19
Profit after deducting extraordinary gain or loss attributable to the Company(II)	0.18	0.18	0.18	0.18

(2) Calculation process of earning per share

Item	No.	2014.01-06	2013.01-06
Profit or loss attributable to the Company	1	66,477,633.28	65,122,435.00
Profit or loss after deducting extraordinary gain or loss attributable to the Company	2	63,794,559.91	62,382,278.37
the weighted average number of ordinary shares outstanding during the period(S ₀)	3=4+5+6*10/9-7*11/9-8	350,014,975	350,014,975
the number of ordinary shares at the beginning of the period(S ₀)	4	350,014,975	350,014,975
the number of additional ordinary shares issued on capital surplus transfer or share dividends appropriation(S ₁)	5		
the number of ordinary shares issued in exchange for cash or issued as a result of the conversion of a debt instrument to ordinary shares during the period(S _i)	6		
reduced number of ordinary shares such as shares buy back(S _j)	7		
the number of a reverse share split(S _k)	8		
the months during the period(M ₀)	9	6	6
the months from the following month after issuing incremental shares to the end of the period(M _i)	10		
the months from the following month after reducing shares to the end of the period(M _j)	11		
Basic earnings per share	12=1/3	0.19	0.19
Basic earnings per share deducting extraordinary gain or loss	13=2/3	0.18	0.18

(3) For the diluted potential ordinary shares, the net profits attributed to ordinary shareholders during the reporting term and the weighted average number of outstanding ordinary shares should be adjusted separately, and it shall be used to calculate the diluted earnings per share. Under the circumstances to issue the diluted potential ordinary shares such as convertible bonds, stock options, stock warrants, the diluted earnings per share shall be calculated in the light of the formula as follow: Diluted Earnings Per Share = $P1 / (S_0 + S_1 + S_i \times M_i \div M_0 - S_j \times M_j \div M_0 - S_k + \text{The weighted average number of incremental ordinary shares on warrants, options, convertible debt and so on})$ P1 represents the amounts attributable to ordinary equity holders of the Company in respect of: (a) Profit or loss attributable to the Company; and (b) Profit or loss after deducting extraordinary gain or loss attributable to the Company, adjust according to the accounting standards for enterprises and other relevant provisions. The Company considered in sequence from dilutive potential ordinary shares to get the lowest earnings per share.

43 Other comprehensive income

Items	2014.01-06	2013.01-06
1、Gain/(loss) on financial assets available for sale		
Less: Income tax infection on financial assets available for sale		
Net amount transferred into profit and loss at current period that reckon into other comprehensive income at former period		
Subtotal		
2、Net amount of comprehensive income of invested company belonging to the company		
Less: Income tax infection		
Net amount transferred into profit and loss at current period that	11,250.00	

Items	2014.01-06	2013.01-06
reckon into other comprehensive income at former period		
Subtotal	-11,250.00	
3.Others		12,000.00
Less: Income tax infection		3,000.00
Net amount transferred into profit and loss at current period that reckon into other comprehensive income at former period		
Subtotal		9,000.00
Total	-11,250.00	9,000.00

44. Relevant information about cash flow statement

(1) Other cash received relating to operating activities

Item	2014.01-06
Financial appropriation	76,300.00
Returns travel expense receivable	14,137,606.36
Received the current payments from associated parties	3,665,453.62
Interest income	4,279,561.80
Others	1,621,146.19
Total	23,780,067.97

(2) Other cash paid relating to operating activities

Item	2014.01-06
Travel expense	7,920,321.99
Deposit paid	3,911,850.00
Sales expenditure	39,706,895.07
Bank fees	338,963.63
Others	708,368.10
Total	52,586,398.79

(3) Other cash paid relating to financing activities

Item	2014.01-06
Discount interest for acceptance notes	39,984.00
Total	39,984.00

45 Complementary information for consolidated cash flow statement**(1) The relationship between the net profit and the net cash flows from operating activities**

Item	2014.01-06	2013.01-06
1. Reconciliation from the net profit to the cash flows from operating activities		
Net profit	69,324,088.48	67,085,019.42
Add: Provisions for assets impairment	11,727,606.97	11,692,077.89
Depreciation of fixed assets	18,243,165.48	17,663,856.21
Amortization of intangible assets	2,103,901.84	2,099,282.43
Amortization of long-term deferred expenses	358,885.66	78,990.01
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains, -)	-611,114.76	-18,357.21
Losses on scrapping of fixed assets (gains, -)	56,295.68	
Losses on variation of fair value (gains, -)		
Finance expenses (income, -)	1,684,555.46	1,355,670.85
Investment losses (gains, -)	-55,652,442.33	-44,070,614.51
Decrease in deferred tax assets (increase, -)	-2,184,574.08	-2,208,944.81
Increase in deferred tax liabilities (decrease, -)		
Decrease in inventory (increase, -)	54,052,680.59	40,091,737.33
Decrease in operating receivables (increase, -)	-126,192,171.87	-82,052,456.41
Increase in operating payables (decrease, -)	24,494,736.42	-7,973,003.13
Others		
Net cash flows from operating activities	-2,594,386.46	3,743,258.07
2. Investing and financing activities that do not involve cash receipts and payments		
Conversion of debt into capital		
Convertible bonds to be expired within one year		
Fixed assets under finance lease		
3. Net increase in cash and cash equivalents		
Cash at the end of the period	469,921,233.07	481,218,686.90
Less: Cash at the beginning of the period	502,339,160.35	525,818,735.46
Plus: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase in cash and cash equivalents	-32,417,927.28	-44,600,048.56

(2) Cash and cash equivalents

Item	2014.01-06	2013.01-06
1. Cash	469,921,233.07	502,339,160.35
Including: cash on hand	27,536.49	99,455.92
Bank deposits that can be used for payment whenever necessary	455,538,401.34	492,056,269.04
Other monetary capital that can be used for payment whenever necessary	14,355,295.24	10,183,435.39
2. cash equivalents		
Including: Bonds mature within 3 months		
3. Balance of cash and cash equivalents at the end of the year	469,921,233.07	502,339,160.35

VI. Related Party Relationships and Transactions

1、Information of parent company

Name of enterprise	Principal activities	Nature	Registered address	Legal representative person	Nature of business	Registered capital	The parent company's shareholding (%)	The parent company's voting right (%)	The ultimate controlling party of the Company	Organization Code
Dalian Bingshan Group Co., Ltd.	Installation and manufacture of refrigeration equipment	Sino-foreign joint venture	Dalian	Motoma Zhero	Manufacture	RMB140,600,000.00	21.96%	21.96%	SASAC of Dalian	24129179-3

2、Subsidiaries

For details, please refer to the IV(一) of the notes.

3、Joint venture and associate companies

For details, please refer to the V.10 of the notes.

4、Other type of the related parties

Name of the related parties	Relationship with the Company	Organization Code
Dalian Bingshan Group Refrigeration Equipment Co., Ltd.	Subsidiary of Dalian Bingshan Group	11857056-X
Dalian Third Refrigeration Equipment Factory	Subsidiary of Dalian Bingshan Group	11853975-7
Beijing Bingshan Serial Refrigeration Equipment Co., Ltd.	Subsidiary of Dalian Bingshan Group	80139721-2
Dalian Bingshan Group Materials Trading Co., Ltd.	Subsidiary of Dalian Bingshan Group	74437418-7
Dalian Spindle Cooling Towers Co., Ltd.	Affiliated company of Dalian Bingshan Group	60487379-3
Dalian Bingshan Metal Technology Co., Ltd.	Affiliated company of Dalian Bingshan Group	76077536-X
Dalian Mahe Level Control Electrical Appliances Co., Ltd.	Affiliated company of Dalian Bingshan Group	60486775-6
Linde Engineering (Dalian) Co., Ltd.	Affiliated company of Dalian Bingshan Group	77301721-8
BAC Dalian Co., Ltd.	Affiliated company of Dalian Bingshan Group	60492102-X
Linde Engineering (Hangzhou) Co., Ltd.	Affiliated company of Dalian Bingshan Group	77356588-X

5、The transactions between the Company and the related parties

(1) Purchases of goods from related parties/ Sales of goods to related parties

Name of the related parties	Item	Details of transaction	Rule of price setting	2014.01-06		2013.01-06	
				Amount	Proportion of the same type transaction amount (%)	Amount	Proportion of the same type transaction amount (%)
Dalian Sanyo Refrigeration Co., Ltd.	Purchases	Purchases of goods	Market price	884,503.24	0.32	1,395,275.86	0.44
Panasonic Cold-chain (Dalian) Co., Ltd.	Purchases	Purchases of goods	Market price	7,433,527.78	2.65	9,031,353.74	2.87
Dalian Sanyo Compressor Co., Ltd.	Purchases	Purchases of goods	Market price	32,239.21	0.01	659,584.42	0.21
Dalian Sanyo Meica Electronics Co., Ltd.	Purchases	Purchases of goods	Market price	195,764.27	0.07		
Dalian Bingshan Group Refrigeration Equipment Co., Ltd.	Purchases	Purchases of goods	Market price	22,424,166.91	8.00	16,727,522.52	5.32
Dalian Third Refrigeration Equipment Factory	Purchases	Purchases of goods	Market price	3,807,851.00	1.36	4,993,403.71	1.59
Dalian Spindle Cooling Towers Co., Ltd.	Purchases	Purchases of goods	Market price	133,333.33	0.05	402,136.75	0.13
BAC Dalian Co., Ltd.	Purchases	Purchases of goods	Market price	25,317,502.60	9.03	37,487,747.00	11.91
Dalian Bingshan Engineering & Trading Co., Ltd.	Purchases	Purchases of goods	Market price	8,482,546.92	3.03	8,276,816.51	2.63

Name of the related parties	Item	Details of transaction	Rule of price setting	2014.01-06		2013.01-06	
				Amount	Proportion of the same type transaction amount (%)	Amount	Proportion of the same type transaction amount (%)
Dalian Bingshan Group Materials Trading Co., Ltd.	Purchases	Purchases of goods	Market price	1,599,625.64	0.57	2,753,364.26	0.87
Dalian Bingshan Metal Technology Co., Ltd.	Purchases	Purchases of goods	Market price	534,598.40	0.19	597,511.58	0.19
Dalian Sanyo High-Efficient Refrigeration System Co., Ltd.	Purchases	Purchases of goods	Market price	1,068,325.94	0.38		
Dalian Sanyo Refrigeration Co., Ltd.	Sales	Sales of goods	Market price	4,947,472.34	0.64	6,355,878.88	0.80
Panasonic Cold-chain (Dalian) Co., Ltd.	Sales	Sales of goods	Market price	10,599,811.03	1.37	12,331,500.97	1.56
Dalian Sanyo Compressor Co., Ltd.	Sales	Sales of goods	Market price	3,637,584.26	0.47	1,703,435.03	0.22
Dalian Bingshan Group Refrigeration Equipment Co., Ltd.	Sales	Sales of goods	Market price	919,806.39	0.12	887,564.56	0.11
Dalian Third Refrigeration Equipment Factory	Sales	Sales of goods	Market price	3,179,698.09	0.41	1,695,097.85	0.21
BAC Dalian Co., Ltd.	Sales	Sales of goods	Market price	1,090,316.25	0.14	114,564.10	0.01
Dalian Bingshan Engineering & Trading Co., Ltd.	Sales	Sales of goods	Market price	51,801,413.84	6.68	43,533,748.55	5.50
Dalian Bingshan - P&A Recreation Development Engineering Co., Ltd.	Sales	Sales of goods	Market price	84,999.99	0.01		
Beijing Bingshan Serial Refrigeration Equipment Co., Ltd.	Sales	Sales of goods	Market price	173,671.79	0.02	5,747,454.71	0.73
Beijing Huashang Bingshan Serial Refrigeration Equipment Co., Ltd.	Sales	Sales of goods	Market price	33,544,521.62	4.33	12,913,205.37	1.63
Dalian Fuji Bingshan Vending Machine Co., Ltd.	Sales	Sales of goods	Market price	1,367,412.63	0.18	942,225.90	0.12
Dalian Bingshan Metal Technology Co., Ltd.	Sales	Sales of goods	Market price	69,888.46	0.01	51,500.34	0.01
Dalian Sanyo High-Efficient Refrigeration System Co., Ltd.	Sales	Sales of goods	Market price	255,563.57	0.03	262,339.21	0.03
MHI Bingshan Refrigeration (Dalian) Co., Ltd.	Sales	Sales of goods	Market price	795,707.71	0.10		

(2) Leasing fees from related party

The Company signed an agreement with Dalian Bingshan Group Co., Ltd. to lease the research building and garage space from Dalian Bingshan Group Co., Ltd. with a lease term of 3 years at the annual rent of RMB 142,572.00 yuan.

(3) Guarantee with related companies

No.

(4) Fund borrowing from associates

Explanation of fund borrowing from associates: For relocation of Dalian Bingshan Ryosetsu Quick Freezing Equipment Co., Ltd., one of its subsidiary companies, the Company borrowed 10 million yuan from Dalian Bingshan Group Co., Ltd. at the bank loan interest rate in the same period.

6 Amounts due from/to related parties

(1) Accounts receivable

Name of the related parties	30-06-2014		31-12-2013	
	Amount	Provision for bad debts	Amount	Provision for bad debts
Dalian Sanyo Compressor Co., Ltd.	1,994,501.82	99,725.09	89,378.90	4,468.94
Dalian Sanyo Refrigeration Co., Ltd.	2,655,647.71	132,782.39	2,419,164.85	120,958.24
Panasonic Cold-chain (Dalian) Co., Ltd.	5,103,099.38	255,154.97	2,365,278.44	118,263.92
Dalian Bingshan Engineering & Trading Co., Ltd.	667,043.20	33,352.16	2,617,143.93	130,857.20
BAC Dalian Co., Ltd.	5,600.00	280.00		
Beijing Bingshan Serial Refrigeration Equipment Co., Ltd.	2,398,974.37	119,948.72	1,737,774.37	86,888.72
Dalian Bingshan - P&A Recreation Development Engineering Co., Ltd.			79,457.00	3,972.85
Beijing Huashang Bingshan Serial Refrigeration Equipment Co., Ltd.	19,969,094.38	998,454.72	223,000.00	19,750.00

Dalian Fuji Bingshan Vending Machine Co., Ltd.	1,221,699.03	61,084.95	148,940.03	7,447.00
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(2) Notes receivable

Name of the related parties	30-06-2014		31-12-2013	
	Amount	Provision for bad debts	Amount	Provision for bad debts
Dalian Sanyo Compressor Co., Ltd.	617,136.87		426,959.02	
Dalian Bingshan Engineering & Trading Co., Ltd.	11,614,818.89		8,529,233.58	
BAC Dalian Co., Ltd.			300,000.00	
Panasonic Cold-chain (Dalian) Co., Ltd			839,091.27	
Dalian Sanyo Refrigeration Co., Ltd.	100,000.00		521,694.49	

(3) Accounts paid in advance

Name of the related parties	30-06-2014	31-12-2013
Dalian Sanyo Compressor Co., Ltd.		2,487.00
Panasonic Cold-chain (Dalian) Co., Ltd		13,642.05
BAC Dalian Co., Ltd.		10,000.00

(4) Notes payable

Name of the related parties	30-06-2014	31-12-2013
Dalian Bingshan Group Refrigeration Equipment Co., Ltd.	16,000,000.00	5,072,848.40
BAC Dalian Co., Ltd.	1,970,398.05	1,000,000.00
Dalian Bingshan Group Materials Trading Co., Ltd.	380,000.00	5,208,750.00
Dalian Third Refrigeration Equipment Factory		1,500,000.00
Dalian Bingshan Engineering & Trading Co., Ltd.	541,287.53	
Dalian Sanyo High-Efficient Refrigeration System Co., Ltd.	743,319.81	289,813.77

(5) Accounts payable

Name of the related parties	30-06-2014	31-12-2013
Dalian Third Refrigeration Equipment Factory	95,523.74	1,355,621.34
BAC Dalian Co., Ltd.	23,861,880.00	16,862,867.00
Dalian Bingshan Group Refrigeration Equipment Co., Ltd.	3,555,611.79	98,364.00
Panasonic Cold-chain (Dalian) Co., Ltd	9,526.00	9,526.00
Dalian Sanyo Meica Electronics Co., Ltd.	229,044.20	172,568.79
Dalian Spindle Cooling Towers Co., Ltd.	373,499.00	269,499.00
Dalian Bingshan Engineering & Trading Co., Ltd.	1,938,746.26	688,542.77
Dalian Sanyo Compressor Co., Ltd.	45,516.95	909,828.95
Dalian Bingshan Group Materials Trading Co., Ltd		341,965.80
Dalian Bingshan Metal Technology Co., Ltd.	216,514.08	383,288.96
Dalian Sanyo High-Efficient Refrigeration System Co., Ltd.	653,478.37	1,374,353.15

(6) Accounts received in advance

Name of the related parties	30-06-2014	31-12-2013
Dalian Third Refrigeration Equipment Factory	111,300.00	
Dalian Sanyo Refrigeration Co., Ltd.		2,978.85
Dalian Bingshan Engineering & Trading Co., Ltd.		2,272,607.85
Beijing Huashang Bingshan Refrigeration and Air-conditioning Machinery Co., Ltd.		1,936,650.06
Dalian Bingshan – P&A Recreation Development Engineering Co., Ltd.	20,683.00	3,000.00
MHI Bingshan Refrigeration (Dalian) Co., Ltd.	172,500.00	

(7) Other Accounts payable

Name of the related parties	30-06-2014	31-12-2013
Dalian Bingshan Group Co., Ltd.	11,102,457.52	10,332,829.67
Dalian Third Refrigeration Equipment Factory	1,000.00	1,000.00
Dalian Bingshan Engineering & Trading Co., Ltd.	148,353.55	231,499.82

VII. Contingency

1. Effect of unsettled lawsuit to the financial statements

Accuser	Defendant	Reason	Court	Target amount	Development
Tonghua Yijia Biotechnology Food Co., Ltd.	Dalian Bingshan Ryosetsu Quick Freezing Equipment Co., Ltd.	Contract dispute	Jilin Province Tonghua County people's Court	RMB1.94m illion	RMB1 million of the defendant's bank deposit were frozen.

The lawsuit happened during 2013 and was still in the process of trying when the financial statements disclosed.

2. No guarantee to other company as at the end of the report period.

3. No other contingency needed disclosed.

VIII. Commitments

No.

IX. Unadjusted events after the Balance Sheet Date

No.

X. Other significant events

No.

XI. Notes to the financial statements of the parent company

1 Accounts receivable

(1) Classified by account nature

Category	30-06-2014				31-12-2013			
	Balance		Provision for doubtful debt		Balance		Provision for doubtful debt	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Receivables that are individually significant								
Receivables not individually significant but with high risk in groups	302,326,662.54	100	64,051,396.75	21.19	231,390,326.16	100	60,808,169.35	26.28
Other insignificant items								
Total	302,326,662.54	100	64,051,396.75	21.19	231,390,326.16	100	60,808,169.35	26.28

The aging of accounts receivable and related provisions for bad debts

Ages	30-06-2014			31-12-2013		
	Amount	Proportion (%)	Provision for bad debts	Amount	Proportion (%)	Provision for bad debts
Within 1 year	166,062,045.76	54.99	8,303,102.29	98,401,447.62	42.53	4,920,072.38
1 to 2 years	56,810,684.59	18.81	5,681,068.46	54,129,047.71	23.39	5,412,904.77
2 to 3 years	30,091,150.96	9.97	9,027,345.29	27,897,517.68	12.06	8,369,255.30
3 to 4 years	8,654,790.50	2.87	4,327,395.25	10,718,514.51	4.63	5,359,257.26
4 to 5 years	18,167,051.33	6.02	14,533,641.06	17,485,595.02	7.56	13,988,476.02
Over 5 years	22,178,844.40	7.34	22,178,844.40	22,758,203.62	9.83	22,758,203.62
Total	301,964,567.54	100	64,051,396.75	231,390,326.16	100	60,808,169.35

(2) There is no receivables not individually significant but with high risk in groups during the report period.

(3) There is no receivable account of the Company that has been written off before this report period but recovered in this period.

(4) There is no accounts receivable being recovered by debts reconstruction during the report period.

(5) The write-off of accounts receivable

Name of company	The nature of accounts receivable	Written off	Reason	Related party transaction
Clients (36)	Sale of goods	3,063,426.02	①	No

① Description of writing off: The Company's receivables written-off in this reporting period were mainly those treated by the company for long-overdue receivables mainly because some account has been in arrears too long but the amount was relatively less, and some account was unreceivable due to the customer's refusing to pay with the excuse of generation of the field expenses.

(6) No arrearage from the shareholders holding over 5% (including 5%) of the equity of the Company existed in the balance of accounts receivable.

(7) The first five arrearage entities listed in the balance of accounts receivable

Company	The relationship with the Company	Amount	Age	Proportion (%)
Beijing Huashang Bingshan Refrigeration and Air-conditioning Machinery Co., Ltd.	affiliated	19,875,094.38	Less than 1 year	6.57
Dalian Xinghaiwan Development & Construction Management Center	Non-affiliated	11,242,693.00	4-5 years	3.72
Shenyang Yurun Agricultural Products Global Purchasing Center	Non-affiliated	11,213,000.00	Less than 1 year	3.71
COFCO Meat (Suqian) Co., Ltd.	Non-affiliated	10,136,575.85	1-2 years	3.35
Shijiazhuang Yurun Agricultural Products Global Purchasing Center	Non-affiliated	6,870,000.00	Less than 1 year	2.27

(8) The amount of accounts receivable due from related companies are RMB 22,968,984.70, 7.60% of total accounts receivable.

Name	The relationship with the Company	Amount	Proportion of total accounts receivable (%)
Beijing Huashang Bingshan Refrigeration and Air-conditioning Machinery Co., Ltd.	Associated company	19,875,094.38	6.57
Beijing Bingshan Serial Refrigeration Equipment Co., Ltd.	Subsidiary of Bingshan Group	2,045,683.52	0.68
Dalian Sanyo Compressor Co., Ltd.	Associated company	1,048,206.80	0.35
Total		22,968,984.70	7.60

2 Other accounts receivable

(1) Classified by account nature

Item	30-06-2014				31-12-2013			
	Balance		Provision for doubtful debt		Balance		Provision for doubtful debt	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Receivables that are individually significant								
Receivables not individually significant but with high risk in groups	20,522,626.41	100	1,679,421.95	8.18	14,155,569.38	100	1,332,793.72	9.42
Other insignificant items								
Total	20,522,626.41	100	1,679,421.95	8.18	14,155,569.38	100	1,332,793.72	9.42

The ageing of other accounts receivable and related provisions for bad debts

Ages	30-06-2014			31-12-2013		
	Amount	Proportion (%)	Provision for bad debts	Amount	Proportion (%)	Provision for bad debts
Within 1 year	18,633,744.71	90.80	931,687.24	12,408,490.33	87.66	620,424.51
1 to 2 years	750,160.00	3.65	75,016.00	418,763.14	2.96	41,876.31
2 to 3 years	250,000.00	1.22	75,000.00	285,114.62	2.01	85,534.39
3 to 4 years	379,702.18	1.85	189,851.10	834,181.77	5.89	417,090.89
4 to 5 years	505,759.52	2.46	404,607.61	205,759.52	1.46	164,607.62
Over 5 years	3,260.00	0.02	3,260.00	3,260.00	0.02	3,260.00
Total	20,522,626.41	100	1,679,421.95	14,155,569.38	100	1,332,793.72

(2) There is no receivables not individually significant but with high risk in groups during the reporting period.

(3) There is no amount of provision for bad debts written back during the reporting period.

(4) During the reporting period, there is no other account receivable being recovered by debts reconstruction.

(5) During the reporting period, there is no other accounts receivable written-off.

(6) There is no balance of other accounts receivable due from the shareholders holding over 5% (including 5%) of the equity of the Company.

(7) The first five arrearage entities of other accounts receivable

Company	The relationship with the Company	Amount	Age	Proportion (%)
Dalian Land Reserve Center	Non-affiliated	10,000,000.00	Less than 1 year	48.73
Dalian Construction Project Labor Insurance Premium Management Office	Non-affiliated	500,000.00	1-2 years	2.44
Jiangsu Xinyou Construction Group Co., Ltd. Xuzhou Branch	Non-affiliated	320,000.00	Less than 1 year	1.56
Jiangxi Soda Industry Co., Ltd.	Non-affiliated	300,000.00	4-5 years	1.46
Dalian Economic & Technological Development Zone Fund Accounting Center for Organs and Institutions	Non-affiliated	265,950.62	3-4 years	1.30

(8) There was no amount of other accounts receivable due from related companies at the end of the period.

(9) There is no other accounts receivable being ended reorganization or being negotiated during the reporting period.

3 Long-term equity investments

(1) Details of long-term equity investments

No.	Name	Calculation method	Initial cost	Beginning balance	Changes	Ending balance	Shareholding (%)	Voting right (%)	Provision for impairment	Provision for impairment of the current period	Cash dividend of the current period
1	Dalian Bingshan - P&A Recreation Development Engineering Co., Ltd.	Equity method	1,034,675.00	3,474,153.38	215,188.46	3,689,341.84	50	50			
2	Dalian Jiale Vending Machine Operation Co., Ltd.	Equity method	18,750,000.00	14,333,183.59	-14,333,183.59		50	50			
3	Dalian Bingshan Engineering & Trading Co., Ltd.	Equity method	1,200,000.00	13,138,080.92	252,517.60	13,390,598.52	24	24			720,000.00
4	Dalian Sanyo Refrigeration Co., Ltd.	Equity method	85,416,929.20	150,937,123.13	-1,391,736.58	149,545,386.55	40	40			3,200,000.00
5	Dalian Honjo Chemical Co., Ltd.	Equity method	3,908,911.50	9,452,973.22	-537,296.75	8,915,676.47	30	30			1,252,121.40
6	Panasonic Cold-chain (Dalian) Co., Ltd.	Equity method	134,658,753.75	215,712,008.04	-4,991,728.01	210,720,280.03	40	40			8,000,000.00
7	Keinin-Grand Ocean Thermal Technology (Dalian) Co., Ltd.	Equity method	24,402,234.58	40,403,428.77	-4,639,913.66	35,763,515.11	20	20			8,800,000.00
8	Dalian Sanyo Compressor Co., Ltd.	Equity method	176,953,841.88	385,481,730.63	17,870,606.86	403,352,337.49	40	40			16,000,000.00
9	Dalian Sanyo Meica Electronics Co., Ltd.	Equity method	9,649,590.00	23,373,393.16	558,635.69	23,932,028.85	30	30			
10	MHI Bingshan Refrigeration (Dalian) Co., Ltd.	Equity method	22,500,000.00	22,500,000.00	-1,486,762.36	21,013,237.64	45	45			
11	Beijing Huashang Bingshan Refrigeration and Air-conditioning Machinery Co., Ltd.	Equity method	490,000.00	1,175,056.73	35,673.03	1,210,729.76	49	49			
12	Dalian Fuji Bingshan Vending Machine Co., Ltd.	Equity method	66,416,364.00	77,258,663.86	9,803,982.09	87,062,645.95	49	49			
13	Dalian Sanyo High-Efficient Refrigeration System Co., Ltd.	Equity method	20,000,000.00	22,028,814.51	236,209.81	22,265,024.32	25	25			
14	Dalian Sanyo Home Appliance Co., Ltd.	Equity method	19,666,212.00	11,694,400.00		11,694,400.00	10.91	10.91	11,694,400.00		
15	Zibo Electric Traction Machine Co., Ltd.	Cost method	420,000.00	420,000.00		420,000.00	0.76	0.76	420,000.00		
16	Liaoning Mec Group Co., Ltd.	Cost method	1,020,000.00	1,020,000.00		1,020,000.00	3.57	3.57			250,000.00
17	Guotai Junan Securities Co., Ltd.	Cost method	30,098,895.00	30,098,895.00		30,098,895.00	0.49	0.49	1,582,164.89		1,504,944.75
18	Guotai Junan Investment Management Co., Ltd.	Cost method	3,057,316.00	3,057,316.00		3,057,316.00	0.22	0.22	2,688,605.91		
19	Thermo King Container Temperature Control (Suzhou) Co., Ltd.	Cost method	11,207,806.00	11,207,806.00		11,207,806.00	17.8	17.8			
20	Liaoning Enterprises United Industry Co., Ltd.	Cost method	105,000.00	105,000.00		105,000.00	4.2	4.2	105,000.00		
21	Dalian Bingshan Group Materials Trading Co., Ltd.	Cost method	250,000.00	250,000.00		250,000.00	5	5			
22	Dalian Bingshan Group Refrigeration Installation Co., Ltd.	Cost method	20,036,841.62	20,036,841.62		20,036,841.62	100	100			
23	Dalian Bingshan Group Sales Company	Cost method	16,200,000.00	16,200,000.00		16,200,000.00	90	90			
24	Dalian Bingshan Metal Processing Co., Ltd.	Cost method	12,501,344.60	12,501,344.60		12,501,344.60	64.25	64.25			
25	Dalian Bingshan Air-Conditioning Equipment Co., Ltd.	Cost method	36,506,570.00	36,506,570.00		36,506,570.00	70	70			2,100,000.00
26	Dalian Bingshan	Cost method	1,522,117.80	1,522,117.80		1,522,117.80	60	60			

No.	Name	Calculation method	Initial cost	Beginning balance	Changes	Ending balance	Shareholding (%)	Voting right (%)	Provision for impairment	Provision for impairment of the current period	Cash dividend of the current period
	Guardian Automation Co., Ltd.										
27	Dalian Bingshan Ryosetsu Quick Freezing Equipment Co., Ltd.	Cost method	5,745,097.40	5,745,097.40		5,745,097.40	70	70			
28	Wuhan New World Refrigeration Industrial Co., Ltd.	Cost method	17,980,400.00	17,980,400.00		17,980,400.00	51	51			
29	Wuhan New World Refrigeration Air Conditioner Engineering Co., Ltd.	Cost method	400,000.00	400,000.00		400,000.00	5	100			
Total			742,098,900.33	1,148,014,398.36	1,592,192.59	1,149,606,590.95			16,490,170.80		41,827,066.15

Note 1: On Oct. 22, 2013, the 6th meeting of the 6th Board of Directors of the Company adopted the resolution that the Company and Fuji Motor Co., Ltd. transferred 50% of their respective shareholding in Dalian Jiale Vending Machine Operation Co., Ltd. to the independent third party -- Shanghai Miyuan Beverage Co., Ltd., the base date for transfer was Jun. 30, 2013, and the amount for the Company's transfer was 15 million yuan. In Jan. 2014, the Company received the said transfer amount paid by Shanghai Miyuan Beverage Co., Ltd. and the transfer was completed.

4 Revenue and cost of sales

(1) Business income and cost

Items	2014.01-06	2013.01-06
Operating income	470,970,219.97	485,112,570.51
Key business income	460,374,451.87	476,890,717.26
Other business income	10,595,768.10	8,221,853.25
Operating cost	386,947,532.84	389,637,758.36
Key business cost	377,487,851.62	382,481,578.43
Other business cost	9,459,681.22	7,156,179.93

(2) Key business (type)

Name of type	2014.01-06		2013.01-06	
	Revenue	Cost	Revenue	Cost
Manufacturing	460,374,451.87	377,487,851.62	476,890,717.26	382,481,578.43

(3) Key business (product)

Name of product	2014.01-06		2013.01-06	
	Revenue	Cost	Revenue	Cost
Refrigeration equipments	460,374,451.87	377,487,851.62	476,890,717.26	382,481,578.43

(4) Key business (region)

Name of region	2014.01-06		2013.01-06	
	Revenue	Cost	Revenue	Cost
North-east of China	460,374,451.87	377,487,851.62	476,890,717.26	382,481,578.43

(5) Top five customers

Name	Revenue	Percentage of total business income (%)
Dalian Bingshan Engineering & Trading Co., Ltd.	48,002,943.23	10.19
Beijing Huashang Bingshan Refrigeration and Air-conditioning Machinery Co., Ltd.	33,544,521.62	7.12
Shenyang Yurun Agricultural Products Global Purchasing Center	14,327,350.44	3.04
Ili Chuanning Biotechnology Co., Ltd.	13,829,059.82	2.94
Huafon Chongqing Spandex Co., Ltd.	13,761,538.46	2.92
Total	123,465,413.57	26.21

5 Gain/ (loss) from investments

(1) Category

Item	2014.01-06	2013.01-06
Long-term equity investment income accounted for by using the cost method	3,854,944.75	5,313,205.11
Long-term equity investment income accounted for by using the equity method	53,897,497.58	43,570,614.51
Investment income due to disposal of the equity of associated company	681,816.41	
Total	58,434,258.74	48,883,819.62

(2) Long-term equity investment income accounted for by using the cost method

Name of invested company	2014.01-06	2013.01-06	Reason of changes
Liaoning Mec Group Co., Ltd.	250,000.00	500,000.00	Less distributed dividend
Dalian Bingshan Air-Conditioning Equipment Co., Ltd.	2,100,000.00		Board of directors not held during the same period of last year
Dalian Bingshan Guardian Automation Co., Ltd.		2,263,205.11	Board of directors not held during the reporting period
Wuhan New World Refrigeration Industrial Co., Ltd.		2,550,000.00	Board of directors not held during the reporting period
Gutai Junan Securities Co., Ltd.	1,504,944.75		Dividend distributed
Total	3,854,944.75	5,313,205.11	

(3) Long-term equity investment income accounted for by using the equity method

Name of invested company	2014.01-06	2013.01-06	Reason of changes
Dalian Sanyo Refrigeration Co., Ltd.	1,808,263.42	148,660.98	Increase of business profit
Panasonic Cold-chain (Dalian) Co., Ltd.	3,008,271.99	4,176,780.36	Decrease of business profit
Keinin-Grand Ocean Thermal Technology (Dalian) Co., Ltd.	4,160,086.34	4,558,809.00	Decrease of business profit
Dalian Sanyo Compressor Co., Ltd.	33,870,606.86	31,248,034.91	Increase of business profit
Dalian Bingshan Engineering & Trading Co., Ltd.	972,517.60	824,130.97	Increase of business profit
Dalian Honjo Chemical Co., Ltd.	714,824.65	487,234.37	Increase of business profit
Dalian Sanyo Meica Electronics Co., Ltd.	558,635.69	-110,176.59	Increase of business profit
Beijing Huashang Bingshan Refrigeration and Air-conditioning Machinery Co., Ltd.	35,673.03	11,100.94	Increase of business profit
Dalian Fuji Bingshan Vending Machine Co., Ltd.	9,803,982.09	2,792,481.55	Increase of business profit
Dalian Sanyo High-Efficient Refrigeration System Co., Ltd.	236,209.81	98,576.11	Increase of business profit
Dalian Bingshan – P&A Recreation Development Engineering Co., Ltd.	215,188.46	-330,100.26	Increase of business profit

Name of invested company	2014.01-06	2013.01-06	Reason of changes
Dalian Jiale Vending Machine Operation Co., Ltd.		-334,917.83	Transferred
MHI Bingshan Refrigeration (Dalian) Co., Ltd.	-1,486,762.36		Put into operation in this period
Total	53,897,497.58	43,570,614.51	

(4) There was no severe constrict on the collection of the investment earnings.

6、Supplementary information of cash flow statement

Supplementary information	2014.01-06	2013.01-06
1. Reconciliation from the net profit to the cash flows from operating activities		
Net profit	64,214,504.65	63,288,641.95
Add: Provisions for assets impairment	6,653,281.65	7,337,489.02
Depreciation of fixed assets	11,763,233.68	11,301,660.09
Amortization of intangible assets	1,328,578.30	1,326,553.77
Amortization of long-term deferred expenses	350,120.32	70,224.67
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains, -)	-682,901.04	
Losses on scrapping of fixed assets (gains, -)	54,144.94	
Losses on variation of fair value (gains, -)		
Finance expenses (income, -)	205,718.11	-119,335.70
Investment losses (gains, -)	-57,752,442.33	-48,883,819.62
Decrease in deferred tax assets (increase, -)	-1,533,172.09	-1,834,372.26
Increase in deferred tax liabilities (decrease, -)		
Decrease in inventory (increase, -)	29,969,046.52	27,004,267.11
Decrease in operating receivables (increase, -)	-103,007,138.64	-48,593,335.99
Increase in operating payables (decrease, -)	14,442,552.97	-4,471,548.27
Others		
Net cash flows from operating activities	-33,994,472.96	6,426,424.77
2. Investing and financing activities that do not involve cash receipts and payments		
Conversion of debt into capital		
Convertible bonds to be expired within one year		
Fixed assets under finance lease		
3. Net increase in cash and cash equivalents		
Cash at the end of the period	373,188,133.53	398,052,941.34
Less: Cash at the beginning of the period	431,494,649.19	437,725,268.74
Plus: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase in cash and cash equivalents	-58,306,515.66	-39,672,327.40

XII. Other supplementary Information

1 Non-recurring gains and losses

Non-recurring gains and losses item	2014.01-06
1. Gain/loss from disposal of non-current assets	34,225.82
2. Tax return or exemption exceeding authority or without formal authorization documents	
3. Governmental subsidy written into current gains and losses	3,511,809.67
4. Interest from non-financial enterprises written into current gains and losses	
5. Gains/Losses on debt restructuring	
6. Reversal of provision for impairment of long-term assets	
7. Investment income due to disposal of the available-for-sale financial assets	
8. Other net income and expense from non-operation	47,605.87
Less: Affected amount of income tax from non-recurring gains and losses	-895,927.94
Less: Affected amount of minority interest	-14,640.05
Non-recurring gains and losses attributable to parent company	2,683,073.37

2 Earnings per share

Item	The weighted average ROE (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to the Company's ordinary shareholders	3.49	0.19	0.19
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring gains and losses	3.35	0.18	0.18

3 The special change items of balance sheet and income statement

Items of balance sheet and income statement	2014.06.30	2013.12.31	Change Ratio	Reasons
Account paid in advance	35,233,321.64	26,031,386.32	35.35%	The payments for projects, purchases prepaid in the report period increased
Dividend receivable	19,104,944.75	33,450.00	57014.93%	The dividends announced for distribution by the invested units did not arrive in the payment period
Interest receivable	5,197,899.97	3,603,594.85	44.24%	The term deposits in the report period increased with more interests
Other account receivable	32,994,118.28	24,514,740.07	34.59%	Increase of the performance bond for bids in the reporting period.
Other current assets	2,080,367.89	995,599.80	108.96%	The expense to be apportioned in the report period increased
Employee's compensation payable	36,807,288.20	53,580,031.02	-31.30%	The Company paid the year-end bonus for the last year in the report period
Dividend payable	1,433,156.00	2,053,911.36	-30.22%	The dividends did not arrive in the payment period
	2014.01-06	2013.01-06		
Financial expense	-3,797,684.83	-2,085,116.83	-82.13%	The term deposits in the report period increased with more interests

Section 9 Contents of Reference Documents

1. The accounting statements bearing the signatures and seals of the legal representative, the financial majordomo and the accountants in charge.
2. The original copies of all the Company's documents and the original copies of the bulletins published on the newspapers designated by the China Securities Regulatory Commission in the report period.

Board of Directors of Dalian Refrigeration Company Limited

August 19, 2014