

Dalian Refrigeration Co., Ltd.

Public notice on providing guarantee for the special item loan of the China Development Bank (CDB) development fund

Dalian Refrigeration Co., Ltd. (the “Company”) and its whole members of Board of Directors ensure that the public notice is real, accurate and complete, and there are no any important omissions, fictitious statements or serious misleading carried in this notice.

I. Introduction of guarantee

1. General information

The CDB development fund intend to give support to the Company’s cold-chain green intelligent equipment and service industrialization base project, through the way of providing the special item fund to the controlling shareholder of the Company—Dalian Bingshan Group Co., Ltd. (Bingshan Group) .The special item fund amount is 160 million yuan, to borrow 10 years, the borrowing rate is about 1.2%. The special item fund can only be used for the development of the Company’s cold-chain green intelligent equipment and service industrialization project. So after the above special item loan arrived, Bingshan Group will fully allocate to the Company and not to increase interest rates.

The implementation of above special item fund needs the Company to provide guarantee.

2. The 2nd Meeting of 7th Session of the Board held on March 10,2016 was deliberated the above said related transaction with voting results of 7 votes in favor, 0 vote against and 0 vote waived passed. Related directors Ji Zhijian and Xu Junrao were avoiding the votes. Independent directors showed prior approval for the above mentioned related transaction and air independent opinions.

3. The guarantee shall be submitted to 2nd Extraordinary Shareholders’ General Meeting of 2016 for review and approval.

II. General information of guaranteed person

1. General information of Bingshan Group

Enterprise Nature: Limited Liability (Sino-foreign joint venture)

Registration location: No. 888, Xinan Road, Shahekou District, Dalian City

Legal representative: Motoma Zhero

Registered capital: RMB158.6 million

Unified social credit code: 912102002412917931

Business scope: Research, development, manufacture, sales, service and installation of industrial refrigeration products, frozen and refrigerated products, medium and small air conditioner, petrochemical equipment, electronic control products, home appliances products and environmental protection equipment products.

2. Main shareholders: please see the annual report of the Company.

3. Relationship between the Company and guaranteed person

The guaranteed person is the controlling shareholder of the Company.

III. The main content of the guarantee agreement intend to sign

1. The way of the guarantee: joint liability guarantee;
2. The period of the guarantee: two years from the date of the main contract debt maturity;
3. The amount of the guarantee: the main contract debt 160 million yuan loan principal and the interests.

IV. The opinions of the Board of directors:

The Company proposed to build China's cold-chain green intelligent equipment and service industrialization base project, and the CDB development fund intended to give financial support by the special item fund.

The implementation of above special item fund needs the Company to provide guarantee. The guarantee is guarantee for the controlling shareholder in the form, but actually guarantee for the Company itself in order to get the financial support.

The guarantee has no counter guarantee.

V. The opinions from independent directors

The above guarantee is guarantee for the controlling shareholder in the form, but actually guarantee for the Company itself in order to get the financial support.

They believed that the related transaction was fair without interest of Company and minority shareholders violated, voting procedure of this related transaction was legally and related directors avoiding the vote and was in full accord for the transaction.

VI. The amount of cumulative number of external guarantees and the overdue guarantees

As of the date of this public notice, the amount of cumulative number of external guarantees and the overdue guarantees is 0 yuan.

VII. Documents available for reference

1. Resolution of 2nd Meeting of 7th Session of the Board;
2. Independent directors' opinion.

Board of Directors of
Dalian Refrigeration Co., Ltd.
March 11, 2016