

Dalian Refrigeration Co., Ltd. Public Notice on Estimated Routine Associated Transactions for Year 2016

Important:

The directors and the Board of Directors of Dalian Refrigeration Co., Ltd. hereby confirm that there are no any important omissions, fictitious statements or serious misleading carried in this report.

I. Brief of forecasting the routine associated transactions in the whole year 2016 (Unit: RMB'0000)

Type of associated transaction	Associated party	Estimation of the total amount		Proportion to the similar transactions	Total amount in the previous year
purchasing auxiliary products for package projects from associate parties	Panasonic Refrigeration (Dalian) Co., Ltd.	3,400	38,000	36%	36,636
	Panasonic Cold-Chain (Dalian) Co., Ltd.	14,600			
	Panasonic Compressor (Dalian) Co., Ltd.	200			
	Dalian Sanyo Meica Electronics Co., Ltd.	50			
	Dalian Bingshan Group Refrigeration Equipment Company Limited	2,200			
	Dalian No.3 Refrigeration Equipment Factory	1,000			
	Dalian Spindle Cooling Towers Company Limited	200			
	BAC Dalian Company Limited	4,500			
	Dalian Bingshan Engineering & Trading Co., Ltd.	8,500			
	Dalian Mach level control electric appliance Co., Ltd.	20			
	Beijing Bingshan Refrigeration Serial Equipment Company Limited	30			
	Dalian Fuji Bingshan Vending Machine Co., Ltd.	30			
	Beijing Huashang Bingshan Refrigeration Equipment Co., Ltd.	150			
	MHI Bingshan Refrigeration (Dalian) Co., Ltd	20			
	Changzhou Jingxue Freezing Equipment Co., Ltd.	3,000			
	Dalian Bingshan Metal Technology Co., Ltd.	100			

selling auxiliary spare parts to associate parties	Panasonic Refrigeration (Dalian) Co., Ltd.	5,300	39,000	24%	29,818
	Panasonic Cold-Chain (Dalian) Co., Ltd.	12,900			
	Panasonic Compressor (Dalian) Co., Ltd.	800			
	Dalian Bingshan Group Refrigeration Equipment Company Limited	100			
	Dalian No.3 Refrigeration Equipment Factory	300			
	BAC Dalian Company Limited	100			
	Dalian Bingshan Engineering & Trading Co., Ltd.	6,750			
	Beijing Bingshan Refrigeration Serial Equipment Company Limited	60			
	Beijing Huashang Bingshan Refrigeration Equipment Co., Ltd.	6,000			
	Dalian Fuji Bingshan Vending Machine Co., Ltd.	2,800			
	Dalian Bingshan Metal Technology Co., Ltd.	30			
	MHI Bingshan Refrigeration (Dalian) Co., Ltd	1,300			
	Dalian Spindle Cooling Towers Company Limited	600			
	Keinin-Grand Ocean Thermal Technology (Dalian) Co., Ltd	80			
	Changzhou Jingxue Freezing Equipment Co., Ltd.	1,880			
Total			77,000		66,454

II. Introduction to the associated parties and description of the association relationship

Name	Association relationship
Panasonic Refrigeration (Dalian) Co., Ltd.	associated company to the Company
Panasonic Cold-Chain (Dalian) Co., Ltd.	
Panasonic Compressor (Dalian) Co., Ltd.	
Dalian Sanyo Meica Electronics Co., Ltd.	
Dalian Fuji Bingshan Vending Machine Co., Ltd.	
MHI Bingshan Refrigeration (Dalian) Co., Ltd	
Changzhou Jingxue Freezing Equipment Co., Ltd.	
Keinin-Grand Ocean Thermal Technology (Dalian) Co., Ltd	
Beijing Huashang Bingshan Refrigeration Equipment Co., Ltd.	
BAC Dalian Company Limited	subsidiary controlled by Bingshan Group and associate of Bingshan Group
Beijing Bingshan Refrigeration Serial Equipment Company Limited	
Dalian Mach level control electric appliance Co., Ltd.	
Dalian Bingshan Group Refrigeration Equipment Company Limited	
Dalian No.3 Refrigeration Equipment Factory	
Dalian Spindle Cooling Towers Company Limited	

Dalian Bingshan Metal Technology Co., Ltd.	
Dalian Bingshan Engineering & Trading Co., Ltd.	

For details of the above associated parties, see the annual report of the Company.

III. Pricing policy and basis

The Company makes the agreed prices for purchasing goods from or selling products to the associated parties by reference to the market prices.

IV. Transaction purpose and influence of the transactions on the listed company

The routine associate transactions of the Company involve a number of Associate parties, which reflects the aggregated industrial production mode of the company. With the products of the company expanding and developing increasingly, an industrial chain of fair scale in connection with refrigeration and air-conditioning has taken shape. As the refrigeration and air-conditioning package plants for customers involve a high requirement for the production technology, the accessories, contracted-out parts for some products come from our associate parties to ensure the quality of our products and the market stability.

Associated transactions of this Company with the associated parties are necessary for normal production and operation, and of positive significance for normal development of the Company and will continue in future. Associated transactions are confirmed by signing economic contracts. The methods of pricing and settling accounts are based on the market prices, and having no harm to the interests of the Company and of the shareholders.

V. Reviewing procedure

1. The Company held the 3rd meeting of the 7th Board of Directors on March 29, 2016, and adopted the above proposal for routine associated transactions. Related directors, Mr. Ji Zhijian, and Mrs. Xu Junrao obviated in examination.
2. The Company's independent directors reviewed this proposal in advance on March 18, 2016 and agreed to submit it to the 3rd meeting of the 7th Board of Directors for review. Their opinion is: the above routine associated transactions of the Company are normal and necessary, complying with the relevant stipulations of the Rules for Listing Shares and the Company's Articles of Association and with the public, fair and candid basis, and being valid for the Company's actual operation and development conditions; and the transaction prices are reasonable, having no harm to the interests of the Company and of the non-associated shareholders.
3. The routine associated transaction requires approval of the shareholders' general meeting. The associated shareholders having interest in the transaction will waive its right to vote for the related proposal.

VI. Signature of the agreement for associated transaction

For the agreement for associated transaction, the Company will sign on schedule with the associated party, depending on the process of production and operation.

VII. Reference Documents

1. The resolutions of 3rd meeting of the 7th Board of Directors of the Company;
2. The opinion of the independent directors.

Board of Directors of Dalian Refrigeration Co., Ltd.

March 30, 2016