Stock Code: 000530; 200530   Short Form of the Stock: Daleng Gufen; Daleng B; No: 2016-056

Dalian Refrigeration Co., Ltd.
2016 Semiannual Report Summary

§1 Important Notes

This summary is extracted from the original of the semiannual report. For more information, the investors are recommended to refer to the original.

Company Profile

Short form of the stock	DALENG GUFEN; DALENG-B	
Stock code	000530; 200530	
Listed stock exchange	Shenzhen Stock Exchange	
Contact persons	Secretary of the Board of Directors	Authorized representative in charge of securities affairs
Name	Song Wenbao	Du Yu
Contact address	DALENG GUFEN Securities and Legal Affairs Department, No. 888, Xinan Road, Shahekou District, Dalian	Securities & Legal Affairs Department, No. 888, Xinan Road, Shahekou District, Dalian
Telephone	0411-86538130	0411-86538822
Fax	0411-86654530	0411-86654530
E-mail	000530@bingshan.com	000530@bingshan.com

§2 Summary of Accounting Data and Financial Indexes

2.1 Main accounting data (Unit: RMB Yuan)

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

item	2016.01-06	2015.01-06	Increase/decrease compared with previous period
Operating revenue	779,919,864.03	711,740,342.13	9.58%
Net profit attributable to shareholders of listed companies	67,487,286.84	65,477,775.99	3.07%
Net profit belonging to the shareholders of listed companies after the deduction of non-recurring profit and loss	61,910,458.03	63,880,328.51	-3.08%
Net cash flow from operating activities	-43,212,032.40	-130,589,921.37	66.91%
Basic earning per share	0.12	0.12	0.00%
Diluted earnings per share	0.12	0.12	0.00%
Weighted average return on net asset yield	2.52%	3.26%	Decrease 0.74 percentage points
	2016.6.30	2015.12.31	Increase/decrease compared with 2015.12.31
Total assets	4,818,332,657.93	4,082,499,864.42	18.02%
Owner's equity attributable to shareholders of listed companies	3,085,362,538.04	2,647,609,091.41	16.53%

2.2 Statement of shares held by the top ten common shareholders

Total number of shareholders in the reporting period					35,680
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	20.38%	122,083,524	28,820,881	
Sanyo Electric Co., Ltd.	Overseas legal person	8.77%	52,502,250	0	
Industrial Securities Golden Kylin No. 2 Collective Asset Management Plan	Others	2.78%	16,678,116	7,280,081	
National Social Security Funds 107 Portfolio	Others	2.03%	12,172,406	0	
Chen Baohua	Domestic natural person	1.55%	9,287,598	0	
National Social Security Funds 104 Portfolio	Others	1.38%	8,264,467	5,864,510	
National Social Security Funds 503Portfolio	Others	0.98%	5,864,510	5,864,510	
Zhejiang Caitong Capital Co., Ltd - Caitong Capital Kunze No. 2 Securities vInestment Fund	Others	0.98%	5,864,509	5,864,509	
Shenzhen B & D Capital Fengnian Jinjia No. 1 Fund	Others	0.98%	5,864,509	5,864,509	
China Everbright Bank Yangguang Dingzeng Portfolio Asset Management Plan	Others	0.70%	4,165,041	3,307,360	

2.3 Statement of shares held by the top ten preferred shareholders

□ Yes √ No

2.4Variation 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

§3 Discussion and analysis of the management

In first half year of 2016, the Company took “innovation, improvement and promotion” as the subject, kept a firm grasp on innovation-driven and integration of industry & finance, brought forth new ideas in the industrial development model, intensified technical products research, strengthened the removal & reconstruct as a whole, accelerated capital resources integration, sped up management improvement, enhanced the competitiveness, raised operating efficiency, and made efforts to achieve the main operation targets. In the first half year of 2016, the Company achieved operation revenue of RMB 779.92 million, increased 9.58% on a y-o-y basis; and achieved total profit of RMB 72.08 million, increased 2.42% on a y-o-y basis.

In reporting period, the Company continued to deepen the construction of engineering platform and service platform. The engineering platform-Dalian Bingshan Group Engineering Co., Ltd. started off to improving the qualification and increasing capital, proactive in innovation of marketing model, laid stress on the integrated solutions, continued to expand its CO_2 cooling system market, and the orders increased greatly on a y-o-y basis. The service platform–Bingshan Technology Service (Dalian) Co., Ltd. has its ERP system officially launched, the remote monitoring users grew rapidly, service standardization promoted efficiently and the service industrilization expanded step by step.

In reporting period, the Company vigorously promoted the R&D of new products as well as the market expansion with parent company and Wuxin Refirgeration. The petrifaction screw compressor, CO_2 screw compressor unit, falling-film semi-closed screw liquid chiller and CO_2 evaporator condenser have completed design and commercialization. The systemic technology of marine screw compressor has reached the domestic leading level through the prototype appraisal of new products and technology. The Wuxing Refrigeration's ORC screw expansion generator unit has entered the serialization promotion stage, completed sales of 5 types of units; the steam screw expansion generator unit in the market introduction phase and finished sales of 2 types of units; the pressure energy recovery device for natural gas pipeline network has installed in user site; the exemplary base for new products in all around China has distributed basically completed.

In reporting period, removal and reconstruct of the Company has carried out in an orderly manner. According to the plan of intelligent manufacturing, the Company further optimized the process layout and process scheme in the new factory district. Privately offering was implemented smoothly for guarantee the capital requirement of removal and reconstruction. The intelligent new factory construction was implemented smoothly, key projects as the performance test room and heat&cold energy station in new factory have implemented efficiently. The removal plans and capacity reserve program before removal have completed and implemented step by step.

In reporting period, the Company continued to integrated the capital resources. Purchased 70% shares of Sanyo Meica, and turned Sanyo Meica-the associated company to wholly-owned subsidiary, improving the intelligent level of the Company's products; acquired 5% shares of Bingshan Ryosetsu and increased its capital, turned Bingshan Ryosetsu–the controlling subsidiary to wholly-owned subsidiary, creating a manufacturing base of cryogenic quick freezers for the Company; established an associated company Panasonic Appliances Refrigeration, offering an integrated solutions of Fluorine cold chain system for clients, and satisfied the rapidly needs of hypothermia logistic market in China.

In reporting period, the associated company Panasonic Compressor successfully exploited the air-conditioner market in field of rail transit, continuously enlarged the sales of horizontal scroll compressor for electric motor coach used; actively developed the foreign market in laying emphasis on India and North America; participated in the national standard setting of the AC compressor for electric-mobile used, and honored the second prize of national management modern innovation achievement.

In reporting period, the associated company Panasonic Cold Chain complied with the requirements changed, proactively developed the segment Blue Ocean market; created a new model of selective retailling with Zhengda Group Warehouse Club, and co-operated with

Neighborhood Convenience Store to create a tiny and cosy customer experience; actively developed new business of logistics distribution and biomedical and rapidly promoted.

In reporting period, the associated company Dalian Fuji Bingshan fully realized the update intellectually for products, the non-cash payment and remote control system came to a standard configuration, sales revenue and net profit continued to growth greatly. New machine of mini intelligent machine and liquor machine were put on the market. Sales of vending machine have already surpassed 100,000 since established from 2003.

§4 Matters related to financial report

4.1 Change in accounting policies, accounting estimates and accounting methods compared with the financial statements of the previous year

☐Applicable √ A Inapplicable

4.2 Correction of major accounting mistakes in the reporting period, which should be retroactively restated

☐Applicable √ A Inapplicable

4.3 Explanation on change of consolidation scope in the report period compared with the latest annual report

√ Applicable ☐Inapplicable

The Company's 15th meeting of the 6th session of the Board of directors decided the Company's subsidiary Dalian Bingshan Ryosetsu Quick Freezing Equipment Co., Ltd . to merge the original wholly-owned subsidiary Dalian Bingshan Metal Processing Co., Ltd. The base date of merger was December 31, 2014, and Dalian Bingshan Ryosetsu Quick Freezing Equipment Co., Ltd.became the surviving corporation after the merger. Up to June 30, 2016, above-mentioned changes have been completed, and the Company's shareholding ratio is changed to 95%. Therefore, in the current consolidated statements, one consolidation subject Dalian Bingshan Metal Processing Co., Ltd. would be removed.

Dalian Universe Thermal Technology Co., Ltd. formerly known as Dalian Sanyo Efficient Refrigeration System Co., Ltd. has changed its name to be Dalian Universe Thermal Technology Co., Ltd. on May 3, 2016.

4.4 Explanation of the Board of Directors to the "Non-standardized Opinion"

☐Applicable √ Inapplicable

Board of Directors of Dalian Refrigeration Co., Ltd.

August 26, 2016