

Dalian Refrigeration Co., Ltd.
Public Notice on Resolution of the 13th Meeting
of the 7th Board of Directors

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. Calling of the Board Meeting

1. The Notice on holding of the Board Meeting was served by written form on 11 April 2017.
2. The Board Meeting held at the scene dated 21 April 2017.
3. Nine Directors should present for voting and all of them are present actually.
4. The Meeting was presided over by Mr. Ji Zhijian, Chairman of the Board of the Company.
5. The Meeting was regarded as abiding the relevant laws, administrative regulation, department rules, normative documents as well as the Article of Association.

II. Deliberation of the Board Meeting

1. 2016 Work Report of the General Manager of the Company;

With 9 votes for, 0 vote against and 0 vote as abstention.

2. 2016 Work Report of the Board of Directors of the Company;

With 9 votes for, 0 vote against and 0 vote as abstention.

3. 2016 Financial Settlement Report and 2017 Financial Budget Report of the Company;

With 9 votes for, 0 vote against and 0 vote as abstention.

4. 2016 Profit Distribution Preplan of the Company;

According to the audit by ShineWing CPAs (Special General Partnership), the net profit made by the parent company of the Company in 2016 was RMB 146.041 million and 10% of the net profit (RMB 14.604 million) was drawn as the legal surplus reserve. Therefore, the profit distributable to the shareholders in the current year was RMB 131.437 million. Plus the initial undistributed profit of RMB 428.747 million and minus the dividend of RMB 36.016 million of common shares paid in 2015 and the drawn free surplus reserve of RMB 25.205 million (20%), the accumulated profit distributable to the shareholders was RMB 498.963 million.

The Company's profit distribution preplan for 2016:

Based on the net profit made by the parent company of the Company in 2016 (146.041 million), 20% of the net profit (RMB 29.208 million) will be drawn as the free surplus reserve;

Based on the total capital stock of 611,776,558 shares, the dividend of RMB 1.00 in cash (including tax) will be distributed for every 10 shares, the total cash dividend is RMB 61.178 million, and the cash dividend for B share is converted and paid in Hong Kong dollars; Based on the total capital stock of 611,776,558 shares, the Company will transfer the capital reserve to increase capital stock, 4 shares for every 10 shares.

The above preplan shall be submitted to the 2016 shareholders' general meeting for review and approval.

With 9 votes for, 0 vote against and 0 vote as abstention.

5. Annual Report for the year 2016;

With 9 votes for, 0 vote against and 0 vote as abstention.

6. Quarterly Report for First Quarter of 2017;

With 9 votes for, 0 vote against and 0 vote as abstention.

7. Annual special report on the storage and use of the raised funds for 2016 of the Company;

(For details, see <http://www.cninfo.com.cn>)

With 9 votes for, 0 vote against and 0 vote as abstention.

8. Report of evaluation on internal control of the Company for the year 2016;

(For details, see <http://www.cninfo.com.cn>)

With 9 votes for, 0 vote against and 0 vote as abstention.

9. Report of social responsibility of the Company for the year 2016;

(For details, see <http://www.cninfo.com.cn>)

With 9 votes for, 0 vote against and 0 vote as abstention.

10. The independent directors' report on their work for the year 2016;

(For details, see <http://www.cninfo.com.cn>)

With 9 votes for, 0 vote against and 0 vote as abstention.

11. Report on withdrawing provisions for devaluation of assets in 2016;

(For details, see <http://www.cninfo.com.cn>)

With 9 votes for, 0 vote against and 0 vote as abstention.

12. Report on scraping partial fixed assets;

(For details, see <http://www.cninfo.com.cn>)

With 9 votes for, 0 vote against and 0 vote as abstention.

13. Report on written-off uncollectible receivables;

With 9 votes for, 0 vote against and 0 vote as abstention.

14. Report on authorizing the Company's Chairman of the Board and management to apply for the bank line of credit and bank line of loan in 2017;

In order to meet the need of the Company's normal production and operation, the General Manager and Financial Majordomo of the Company are authorized to apply for the comprehensive bank line of credit not more than 700 million yuan, and Chairman of the Board of Directors of the Company is authorized to apply for the bank line of loan not more than 500 million yuan.

With 9 votes for, 0 vote against and 0 vote as abstention.

15. Report on Routine Associated Transactions for the year 2016 and Estimated Associated Transactions for the year 2017;

It is predicted that the total amount of routine associate transactions of the company in the whole year of 2017 will be around RMB 880 million yuan, consisting of around RMB 400 million yuan for purchasing auxiliary products for package projects from associate parties and around RMB 480 million yuan for selling auxiliary spare parts to associate parties.

The Company's independent directors reviewed this proposal on April 11, 2017 and agreed on submitting it to the Board of Directors for discussions.

Directors of the Company, Mr. Ji Zhijian, Mrs. Xu Junrao, and Mr. Ding Jie were the correlative directors, They were avoided from voting this proposal.

(For details, see <http://www.cninfo.com.cn>)

With 6 votes for, 0 vote against and 0 vote as abstention.

16. Report on Engaging Auditors for the Company in 2017;

The Company planned to reengage ShineWing CPAs (Special General Partnership) as its auditors

for 2017 to integrate and audit the financial statements and internal control of the company. Based on the actual situation of the auditing task, the Company planned to pay ShineWing CPAs (Special General Partnership) RMB 770,000 as the annual financial statements auditing fee (RMB 770,000 for year 2016), and RMB 300,000 as the annual internal control auditing fee. And the corresponding expenditures arising from the auditing shall be born by itself.

The Company's independent directors reviewed this proposal on April 11, 2017 and agreed on submitting it to the Board of Directors for discussions.

With 9 votes for, 0 vote against and 0 vote as abstention.

17. Report on changing registered address of the Company;

The Company planned to change registered address from No.888, South West Road, Shahekou District, Dalian City, to No.106, Liaohe East Road, Dalian Economic and Technological Development Zone.

With 9 votes for, 0 vote against and 0 vote as abstention.

18. Report on modifying Articles of Association of the Company; (attachment 1)

With 9 votes for, 0 vote against and 0 vote as abstention.

19. Report on changing accounting policy of the Company;

(For details, see <http://www.cninfo.com.cn>)

With 9 votes for, 0 vote against and 0 vote as abstention.

20. Report on delaying to reach the intended state of use about raised capital investment projects;

(For details, see <http://www.cninfo.com.cn>)

With 9 votes for, 0 vote against and 0 vote as abstention.

21. Report on lease of land and houses of the Company;

The Company's independent directors reviewed this proposal on April 11, 2017 and agreed on submitting it to the Board of Directors for discussions.

Director of the Company, Mr. Ji Zhijian was the correlative director, and was avoided from voting this proposal.

(For details, see <http://www.cninfo.com.cn>)

With 8 votes for, 0 vote against and 0 vote as abstention.

22. Issues relevant to 2016 Shareholders' General Meeting.

(For details, see <http://www.cninfo.com.cn>)

With 9 votes for, 0 vote against and 0 vote as abstention.

Among the above resolutions, resolution 2, 3, 4, 5, 14, 15, 16, 18 shall be submitted to 2016 shareholders' general meeting for review and approval.

III. Documents available for reference

1. Proposal of the Meeting with signature of attended directors and seal of the Board;
2. Opinions from independent directors.

Board of Directors of Dalian Refrigeration Co., Ltd.

April 22, 2017

Attachment 1: Report on modifying Articles of Association of the Company

Specific amendments are as follows:

	Before amendment	After amendment												
Article 1.2	<p>The first address of the Company is: 888 Southwest Road, Shahekou District, Dalian Municipality, People's Republic of China with postcode 116033</p> <p>The second address of the Company is: 106 East Road of Liaohe, Dalian City Economic and Technological Development Zone with postcode 116630</p>	<p>The address of the Company is: 106 Liaohe East Road, Dalian Economic and Technological Development Zone with postcode 116630</p>												
Article 3.1	The registered capital of the Company shall be the total paid up capital of RMB 360,164,975.	The registered capital of the Company shall be the total paid up capital of RMB 611,776,558.												
Article 3.2	The Company has in issue 360,164,975 shares in total, with a par value of RMB1.00 each.	The Company has in issue 611,776,558 shares in total, with a par value of RMB1.00 each.												
Article 3.3	<p>The Company has been approved to issue 360,164,975 shares in total.</p> <p>The structure of the issued share capital of the Company is as follows:</p> <table><tr><td>Type of shares</td><td>Number of shares</td></tr><tr><td>Renminbi ordinary shares</td><td>245,164,975</td></tr><tr><td>Domestically listed foreign investment shares</td><td>115,000,000</td></tr></table>	Type of shares	Number of shares	Renminbi ordinary shares	245,164,975	Domestically listed foreign investment shares	115,000,000	<p>The Company has been approved to issue 611,776,558 shares in total.</p> <p>The structure of the issued share capital of the Company is as follows:</p> <table><tr><td>Type of shares</td><td>Number of shares</td></tr><tr><td>Renminbi ordinary shares</td><td>439,276,558</td></tr><tr><td>Domestically listed foreign investment shares</td><td>172,500,000</td></tr></table>	Type of shares	Number of shares	Renminbi ordinary shares	439,276,558	Domestically listed foreign investment shares	172,500,000
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