

Dalian Refrigeration Co., Ltd.
Public Notice on Resolution of the 20th 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 10 April 2018.
2. The Board Meeting held at the scene dated 20 April 2018.
3. Eight 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. 2017 Work Report of the General Manager of the Company;

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

2. 2017 Work Report of the Board of Directors of the Company;

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

3. 2017 Financial Settlement Report of the Company;

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

4. 2017 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 2017 was RMB 183.633 million and 10% of the net profit (RMB 18.363 million) was drawn as the legal surplus reserve. Therefore, the profit distributable to the shareholders in the current year was RMB 165.27 million. Plus the initial undistributed profit of RMB 498.963 million and minus the dividend of RMB 61.178 million of common shares paid in 2016 and the drawn free surplus reserve of RMB 29.208 million (20%), the accumulated profit distributable to the shareholders was RMB 573.847 million.

The Company's profit distribution preplan for 2017:

Based on the net profit made by the parent company of the Company in 2017 (183.633 million), 20% of the net profit (RMB 36.727 million) will be drawn as the free surplus reserve;

Based on the total capital stock of 855,908,981 shares, the dividend of RMB 0.5 in cash (including tax) will be distributed for every 10 shares, the total cash dividend is RMB 42.795 million, and the cash dividend for B share is converted and paid in Hong Kong dollars.

The above preplan shall be submitted to the 2017 shareholders' general meeting for review and approval.

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

5. Annual Report for the year 2017;

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

6. Quarterly Report for First Quarter of 2018;

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

7. Annual special report on the storage and use of the raised funds for 2017 of the Company;

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

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

8. Report of evaluation on internal control of the Company for the year 2017;

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

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

9. Report of social responsibility of the Company for the year 2017;

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

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

10. The independent directors' report on their work for the year 2017;

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

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

11. Report on withdrawing provisions for devaluation of assets in 2017;

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

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

12. Report on written-off uncollectible receivables;

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

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

13. 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 2018;

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 800 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 600 million yuan.

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

14. Report on Estimated Associated Transactions for the year 2018;

It is predicted that the total amount of routine associate transactions of the Company in the whole year of 2018 will be around RMB 880 million yuan, consisting of around RMB 320 million yuan for purchasing auxiliary products for package projects from associate parties and around RMB 560 million yuan for selling auxiliary spare parts to associate parties.

The Company's independent directors reviewed this proposal on April 10, 2018 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 5 votes for, 0 vote against and 0 vote as abstention.

15. Report on Engaging Auditors for the Company in 2018;

The Company planned to reengage ShineWing CPAs (Special General Partnership) as its auditors for 2018 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 2017), 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 10, 2018 and agreed on submitting it to the Board of Directors for discussions.

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

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

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

17. Report on changing accounting policy of the Company;

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

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

18. Report on the candidate of the director;

Mr. Fan Yuekun was nominated as candidate for director of 7th session of the Board.

Independent directors of the Company were unanimous in approving the director candidate above mentioned for 7th session of the Board.

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

19. Report on electing the Vice Chairman of the Board;

Mr. Ding Jie was elected as the Vice Chairman of the Board.

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

20. Report on electing the member of the Remuneration and Examination Committee of the Board of the Company

Mr. Ding Jie was elected as the member of the Remuneration and Examination Committee of the Board of the Company.

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

21. Report on <The Plan of Shareholders return of the Company in the next three years (2018-2020)>

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

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

22. Issues relevant to 2017 Shareholders' General Meeting.

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

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

Among the above resolutions, resolution 2、3、4、5、13、14、15、16、18、21 shall be submitted to 2017 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 21, 2018

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

Specific amendments are as follows:

	Before amendment	After amendment												
Article 3.1	The registered capital of the Company shall be the total paid up capital of RMB 611,776,558.	The registered capital of the Company shall be the total paid up capital of RMB 855,908,981.												
Article 3.2	The Company has in issue 611,776,558 shares in total, with a par value of RMB1.00 each.	The Company has in issue 855,908,981 shares in total, with a par value of RMB1.00 each.												
Article 3.3	The Company has been approved to issue 611,776,558 shares in total. The structure of the issued share capital of the Company is as follows:	The Company has been approved to issue 855,908,981 shares in total. The structure of the issued share capital of the Company is as follows:												
	<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	<table><tr><td>Type of shares</td><td>Number of shares</td></tr><tr><td>Renminbi ordinary shares</td><td>614,408,981</td></tr><tr><td>Domestically listed foreign investment shares</td><td>241,500,000</td></tr></table>	Type of shares	Number of shares	Renminbi ordinary shares	614,408,981	Domestically listed foreign investment shares	241,500,000
	Type of shares	Number of shares												
	Renminbi ordinary shares	439,276,558												
Domestically listed foreign investment shares	172,500,000													
Type of shares	Number of shares													
Renminbi ordinary shares	614,408,981													
Domestically listed foreign investment shares	241,500,000													
Article 5.9	The Company's Board of Directors, independent directors and other directors meeting the concerned conditions may acquire votes at the general meeting from shareholders of the Company. Such acquirement of votes shall be unrequited, and the concerned information shall be disclosed to the persons whose votes are acquired.	The Company's Board of Directors, independent directors and other directors meeting the concerned conditions may acquire votes at the general meeting from shareholders of the Company. Such acquirement of votes shall be unrequited, and the concerned information shall be disclosed to the persons whose votes are acquired. There is no limit on the percentage of acquiring votes.												

Attachment 2: Resume of Mr. Fan Yuekun

Fan Yuekun, male, born in 1964, graduated from Tsinghua University with a bachelor degree, major in engineering physics, and MBA of Dalian University of Technology; he successively served as the general manager of operation & management division and GM assistant of Dalian Sanyo Cold Chain Co., Ltd. from 2003 to 2013; served as GM of Dalian HURLLY Group Co., Ltd. from June 2013 to July 2015; served as the vice general manager of the Company since October 2015. He has no related relationship with the Company, controlling shareholders of the Company and actual controller of the Company, and he holds 700,000 A shares of the Company and did not punished by the China Securities Regulatory Commission and other relevant departments of the disciplinary and the stock exchange.