

DALIAN REFRIGERATION CO., LTD. QUARTERLY REPORT FOR THIRD QUARTER, 2016

§1 Important Notes

- 1.1 The directors and the Board of Directors, the supervisors and the Supervisory Board, and Senior staff members of Dalian Refrigeration Co., Ltd. (hereinafter referred to as the Company) hereby confirm that there are no any important omissions, fictitious statements or serious misleading carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completeness of the whole contents.
- 1.2 The Company's quarterly financial report has not been audited.
- 1.3 Chairman of the Board of Directors of the Company Mr. Ji Zhijian, Financial Majordomo Mr. Ma Yun and the head of Accounting Department Ms. Mao Chunhua hereby confirm that the financial report of the quarterly report is true and complete.
- 1.4 This report is written respectively in Chinese and in English. In the event of any discrepancy between the two above-mentioned versions, the Chinese version shall prevail.

§2 Major accounting data and changes of shareholders

2.1 Major accounting data and financial indexes

Is there any traceable adjustment to the financial statements for the previous report period?

Yes No

	2016.9.30	2015.12.31		Increase/decrease over 2015.12.31
Total assets	4,838,503,096.34	4,082,499,864.42		18.52%
Shareholder's equity attributable to parent company	3,152,517,387.71	2,647,609,091.41		19.07%
	2016.7-9	Increase/decrease over 2015.7-9	2016.1-9	Increase/decrease over 2015.1-9
Total operating income	471,165,234.36	-2.76%	1,251,085,098.39	4.58%
Net profit attributable to parent company	64,264,334.88	89.29%	131,751,621.72	32.51%
Net profit attributable to parent company after deducting non-recurring gains/losses	38,183,454.01	12.68%	100,093,912.04	2.38%
Net cash generated from operating activities	--	--	-58,428,984.60	64.69%
Basic earnings per share	0.11	57.14%	0.23	21.05%
Diluted earnings per share	0.11	57.14%	0.23	21.05%
Return on equity	2.33%	Increase 0.68 percentage points	4.85%	Decrease 0.06 percentage points

Item of non-recurring gains and losses	Amount from beginning of year to the end of report period
Profit and loss from disposal of non-current assets	-37,684.62
Tax returned/reduced by chance	1,232,868.14
Government subsidies which were included in the current profits and losses	5,563,711.00
The cost of investment that the Company acuring subsidiary, the associated and the joint venture are less than the book net assets of the invested entity	30,338,002.80
Other non-operating incomes and expenses except the above mentioned	238,334.15
Income tax effects	5,627,202.14
Minority equity interests effects (after tax)	50,319.65
Total	31,657,709.68

2.2 Total number and particulars of the shareholders by the end of the report period

Total shareholders at the end of report period						39,898
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	0		
SANYO ELECTRIC CO LTD	Foreign legal person	8.77%	52,502,250	0		
Industrial Securities Golden Kylin No. 2 Collective Asset Management Plan	Others	2.85%	17,063,257	7,280,081		
National Social Security Funds 104 Portfolio	Others	1.35%	8,100,000	5,864,510		
National Social Security Funds 503 Portfolio	Others	0.98%	5,864,510	5,864,510		
Zhejiang Caitong Capital Co., Ltd - Caitong Capital Kunze No. 2 Securities vInvestment 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		
Lin Zhenming	Foreign natural person	0.74%	4,410,050	0		
China Everbright Bank Yangguang Dingzeng Portfolio Asset Management Plan	Others	0.70%	4,165,041	3,033,367		
Sun Huiming	Domestic natural person	0.62%	3,724,449	0		
Particulars about shares held by the top ten negotiable shareholders not subject to conditional sales						
Name of shareholder	EORP (shares)		Type			
Dalian Bingshan Group Co., Ltd.	122,083,524		A			
SANYO ELECTRIC CO LTD	52,502,250		B			
Industrial Securities Golden Kylin No. 2 Collective Asset Management Plan	9,783,176		A			
Lin Zhenming	4,410,050		B			
Sun Huiming	3,724,449		B			
Peng Hua reform dividend equity securities investment fund	3,638,357		A			
China Life Insurance Company Ltd-dividend-individual dividend-005L-FH0 02SHEN	3,082,364		A			
Manufacturing Excellence equity securities investment fund of China International Fund Management	2,610,445		A			
Dalian City Industrial Investment Co., Ltd.	2,433,375		A			
National Social Security Funds 104 Portfolio	2,235,490		A			
Notes to the associated relationship and uniform actions of the above shareholders	Dalian Bingshan Group Co., Ltd. had the association relationship with Sanyo Electric Co., Ltd. among the above shareholders. Sanyo Electric Co., Ltd. holds 26.6% of Dalian Bingshan Group Co., Ltd.'s equity.					

Did the Company's shareholders conduct the agreed repurchase transactions in the reporting period?

Yes No

Information on the total number of preferred shareholders and the shares held by top ten preferred shareholders as of the end of the reporting period Yes No

§3 Important Matters

3.1 Major changes in main financial items and indexes, and description of the cause

Applicable Inapplicable

1. Monetary fund is markedly increased over that of year-begin, mainly due to the money are raised in the Period for privately offering of A-share;
2. Account paid in advance is markedly increased over that of year-begin, mainly because the account paid in advance for equipment increased in the Period;
3. Dividend receivable is markedly increased over that of year-begin, mainly undue dividend receivable increased in the Period;
4. Other account receivable is markedly increased over that of year-begin, mainly because bid bond increased in the Period;
5. Construction in progress is markedly increased over that of year-begin, mainly because construction of new factories increased in the Period;
6. Short-term loans has significantly reduction over that of year-begin, mainly due to the debt repayment in the Period;
7. Account received in advance is markedly increased over that of year-begin, mainly because account of order received in advance increased in the Period;
8. Wages payable has significantly reduction over that of year-begin, mainly because the wages accrual in end of last period have paid in the Period;
9. Long-term loan is markedly increased over that of year-begin, mainly because carried out specific fund loans from CDB Development Fund in the Period;
10. Capital reserve is markedly increased over that of year-begin, mainly due to the stock premium of privately offering of A-share in the Period recognized;
11. Financial expenses is clearly increased from a year earlier, mainly because the decline of fixed term deposit in the Period;
12. Assets impairment loss is clearly increased from a year earlier, mainly because the bad debt provision of the account receivable accrual in the Period increased;
13. Investment earning is clearly increased from a year earlier, mainly because more investment income from financial assets available for sale in the period, and the profit from associated company- Dalian Fuji Bingshan Vending Machine Co., Ltd. increased in the period;
14. Non-operation revenue is markedly increased from a year earlier, mainly because purchasing 70% equity of Dalian Sanyo Minghua Electric Co., Ltd.in the Period ,the book net assets is much more than the investment return ;
15. Net cash flow arising from operation activity is markedly increased from a year earlier, mainly because more cash received from sales of goods in the Period;
16. Net cash flow arising from financing activity is clearly increased from a year earlier, mainly because the money raised from privately offering of A-share increased in the period, and received a specific fund from CDB Development Fund.

3.2 Analytic description of major matters, their influence and solutions

Applicable Inapplicable

3.3 Commitments of the Company or its shareholders holding 5% or higher of the shares in the reporting period or carried to the reporting period

Applicable Inapplicable

3.4 Precautions on forecasting of 2016, the accumulated net profit may be turned into loss or change greatly compared with that in the same period of the last year, and description of the cause

Applicable Inapplicable

3.5 Securities investment

Applicable Inapplicable

Name of object held	Amount of primary investment	Quantity (Shares) held	Proportion of share equity in that company	Book value at the end of period	Profit and loss within period
Guotai Junan Securities Co., Ltd	30,098,895.00	30,098,895	0.39%	533,954,397.30	0.00
Total	30,098,895.00	30,098,895	-	559,839,447.00	0.00

3.6 Derivative investment

Applicable Not applicable

During the reporting period, the Company does not exist derivative investment.

3.7 Table of investigation, communication, interview received

Receiving time	Way of receiving	Received object type	Basic situation index
July. 21, 2016	Field investigation	Institution	http:// www.cninfo.com.cn
Sep.08, 2016	Field investigation	Institution	http:// www.cninfo.com.cn
Sep.14, 2016	Field investigation	Institution	http:// www.cninfo.com.cn

3.8 Violation of guaranty

Applicable Not applicable

3.9 Non-operation capital occupation by holding shareholders and their related parties in the listed company

Applicable Not applicable

Board of Directors of Dalian Refrigeration Co., Ltd.
October 27, 2016