

## Dalian Refrigeration Co., Ltd. 2019 Semiannual Report Summary

### 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.

Non-standard audit opinion presentation  Applicable  Not applicable  
 Profit distribution and dividend payment  Applicable  Not applicable

### §1 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 & Legal Affairs No.106, Liaohe East Road, Dalian Economic and Technological Development Zone	DALENG GUFEN Securities & Legal Affairs No.106, Liaohe East Road, Dalian Economic and Technological Development Zone
Telephone	0411-87968130	0411-87968822
Fax	0411-87968125	0411-87968125
E-mail	000530@bingshan.com	000530@bingshan.com

### §2 Summary of Accounting Data and Financial Indexes

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

Unit: RMB Yuan

	2019.1-6	2018.1-6	Increase/decrease compared with the same period of last year
Operating revenue	1,075,729,240.57	1,029,078,536.79	4.53%
Net profit attributable to shareholders of listed companies	108,373,919.30	59,017,542.28	83.63%
Net profit belonging to the shareholders of listed companies after the deduction of non-recurring profit and loss	35,262,178.97	57,185,177.31	-38.34%
Net cash flow from operating activities	-77,776,037.88	-115,328,757.17	32.56%
Basic earnings per share	0.127	0.069	84.06%
Diluted earnings per share	0.127	0.069	84.06%
Weighted average return on net asset yield	3.16%	1.67%	Increase 1.49 percentage points
	2019.6.30	2018.12.31	Increase/decrease compared with 2018.12.31
Total assets	5,607,305,672.24	5,568,279,452.26	0.70%
Owner's equity attributable to shareholders of listed companies	3,419,054,562.97	3,377,633,617.02	1.23%

Net profit attributable to parent Company increased significantly y-o-y, mainly due to (1)The Gain from change in fair value of Guotai Junan has been recorded into the current profit and loss, which is about 40.46 million yuan;(2)During the reporting period, the Company's exchangeable corporate bondholders exchanged a total of 8.3889 million shares, increasing the current investment income by about 40.57 million yuan. All profit above has been recorded into the non-recurring gains and losses.

### §3 Statement of shares held by the top ten common shareholders

Total number of shareholders in the reporting period				54,558	
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	20.27%	170,916,934	0	0
Sanyo Electric Co., Ltd.	Overseas legal person	8.72%	73,503,150	0	0
Zhang Sufen	Domestic natural person	0.77%	6,520,000	0	0
Lin Zhenming	Foreign natural person	0.76%	6,400,000	0	0
Wu An	Domestic natural person	0.53%	4,500,000	0	0
Sun Huiming	Domestic natural person	0.52%	4,384,079	0	0
BOCI SECURITIES LIMITED	Overseas legal person	0.41%	3,471,602	0	0
Dalian industrial development investment Co., Ltd.	Domestic non-state-owned legal person	0.40%	3,406,725	0	0
Xue Hong	Domestic natural person	0.35%	2,940,000	0	0
Li Xiaohua	Domestic natural person	0.32%	2,704,208	0	0
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.				

### §4 Variation in controlling shareholders or actual controllers

Variation in controlling shareholders in the report period

Applicable  Not applicable

Variation in actual controllers in the report period

Applicable  Not applicable

### §5 Information on Preferred Stock

Applicable  Not applicable

In the reporting period, the Company didn't own preferred stock.

### §6 Corporate Bonds

The Company's non-public issuance of exchangeable corporate bonds was listed at the Shanghai Stock Exchange on August 6, 2018. As of August 1, 2018, according to the using plan disclosed in the prospectus, the raised funds of the Company's non-public issuance of exchangeable corporate bonds have been used to repay bank loans. During the reporting period, the Company's exchangeable corporate bondholders exchanged a total of 8.3889 million shares.

## **§7 Business discussion and analysis**

In the first half of 2019, the Company focused on “exploitation, pragmatism, collaboration and action”, strengthened strategic resources, strengthened market development, strengthened internal management, converted restriction into coordination, converted control into service, strengthened confidence, acted immediately, and strived to achieve main business objectives. In the first half of 2019, the Company achieved operating income of 1,075,729 thousand yuan, a year-on-year growth of 4.53%; achieved total profit of 120,536 thousand yuan, a year-on-year increase of 94.53%.

During the reporting period, the Company’s BSMAU series modular ice water installation was selected as “2019 Energy Saving and Environment-friendly Products Catalogue of the Chinese Association of Refrigeration”; the national high-end equipment manufacturing standardization pilot work was promoted in an orderly manner; stainless steel pressure vessels achieved the first production and became the Company’s new business growth point.

During the reporting period, the Company’s subsidiary Wuhan New World Refrigeration accelerated the strategic transformation. The water vapor screw expander was selected as “2019 China Refrigeration Innovative Product”; the natural gas pipeline network pressure energy comprehensive utilization technology was selected as “2019 Energy Saving and Environmental Protection Technology Catalogue of the Chinese Association of Refrigeration”; new product optimization and standardization work were actively implemented.

During the reporting period, the Company’s subsidiary, Bingshan Engineering Company continued to deepen the hot and cold market segment around the deep enthalpy energy solutions. After the low-speed wind tunnel and the icing wind tunnel projects, it successfully signed the wind tunnel drying system development project to help China’s aerospace equipment continue to improve the climatic and environmental adaptability.

During the reporting period, Bingshan Service Company, the Company’s subsidiary, quickly expanded its producer services. It actively promoted the compressor room hosting and transportation business, and continuously optimized the layout of national service networks. Bingshan sharing service platform was built orderly, and began to provide services for a number of Bingshan-funded enterprises.

During the reporting period, the Company’s subsidiary, Bingshan Engineering & Trading, followed the national Belt and Road strategy, deepening the advantageous markets in Southeast Asia and opening up the emerging markets in Africa. It established the first overseas office in Africa to explore the aquatic product processing markets in neighboring countries.

During the reporting period, the Company’s subsidiary, Bingshan Guardian, focused on the automatic control of the Internet of Things in the field of freezing and refrigeration, and launched intelligent devices with edge computing capabilities such as BINGO-BOX. As a member of the Edge Computing Alliance, it undertook the development of the experimental platform for the “Freezing and Refrigeration IoT Test Bed Based on TSN and OPC-UA Technology”.

During the reporting period, Panasonic Compressor, the Company's associated company, actively promoted the transformation. Faced with the unfavorable situation of the shrinking total volume of the scroll compressor market, it made great efforts to consolidate the field of electric buses and rail transit, and increased investments in heat pump, freezing and refrigeration and other fields, and the sales of horizontal scroll compressors achieved rapid growth. The CO<sub>2</sub> twin-rotor compressor for refrigeration and heat pump was selected as "2019 China Refrigeration Innovative Product".

During the reporting period, Panasonic Cold Chain, an associated company of the Company, further focused on the new retail and new catering market. With the "Energy Management and Store Intelligent System", it was awarded the "2019 China Convenience Store Innovation Award" by the China Chain Store & Franchise Association. The intelligent food collection cabinet has been successfully embedded in the Hema Fresh platform series, and has accumulatively provided cold chain solutions for more than 30 stores. The overseas IoT smart cabinet business has made new breakthroughs, and it has successfully entered Australia after the United States and Mexico.

During the reporting period, Panasonic Air-conditioning and Refrigeration, the Company's associated company, actively deployed in emerging markets such as coking, petrochemical, and fermentation industries, and achieved breakthroughs in transformation. The development of high-efficiency warm water and large temperature difference units has been completed, which can deeply recycle the industrial waste heat. The gas-fired water-fluorine hybrid air-conditioning heat pump system was selected as "2019 China Refrigeration Innovation Product".

During the reporting period, Panasonic Refrigeration System, the Company's associated company, strengthened the construction of quality projects to create an industry benchmark. The self-developed 80-horsepower CO<sub>2</sub> unit was sold to Japan; the 40-horsepower semi-closed piston refrigeration compressor was successfully launched; the heat pump assembly production line was established and commissioned.

During the reporting period, Fuji Bingshan, an associated company of the Company, further promoted the development of product intelligence, modularization, and diversification to quickly respond to customer needs. It also innovated the marketing methods and promoted diversified sales. The construction of intelligent plants continued to be advanced and the quality assurance was effectively improved.

During the reporting period, Bingshan Metal, the Company's associated company, continued to promote technological innovation and management progress, and spared no effort to develop the market and optimize customer group, and achieved better business performance.

During the reporting period, Jingxue Company, an associated company of the Company, applied for its initial public offering of shares and applied for listing on the GEM, which have been formally accepted by the China Securities Regulatory Commission.

During the reporting period, the Company actively promoted the cultivation and incubation of new

businesses while the original business was undergoing transformation and upgrading. Bingshan Wisdom Park Company, an indirect joint venture company of the Company, cooperated in the comprehensive utilization of the old factory area and created an intelligent innovation industrial park to gather and search new kinetic energy for Bingshan. Bingshan Huahuida, an indirect joint venture company of the Company, effectively expanded the financial leasing business around high-quality customers in Bingshan cold and hot business, and boosted the sales and payment collection of the various funded enterprises of Bingshan. Fuji Bingshan Control, an indirect joint venture company of the Company, deeply explored the energy-saving potential, and helped the smart energy management of Bingshan. Kelvin Technology, an indirect joint venture company of the Company, energized unmanned retail with innovative technology, and the new retail model was rapidly promoted.

## **§8 Matters related to financial report**

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

Applicable  Not applicable

(1) March 2017, the Ministry of Finance, respectively, revised and issued the accounting standards for enterprises No. 22 - recognition and measurement of financial instruments, the accounting standards for enterprises No. 23 - transfer of financial assets, the accounting standards for enterprises No. 24 - hedging accounting, the accounting standards for enterprises No. 37 - presentation of financial instruments such as the four related financial instruments accounting standards (hereinafter generally referred to as the "rule of financial instruments), in domestic and at the same time, listed companies and listed overseas and adopted international financial reporting standards accounting standards to prepare its financial report or enterprises, effective as of January 1, 2018; Other domestic listed enterprises shall take effect from January 1, 2019. In accordance with the above requirements, the Company will implement the above four accounting standards from January 1, 2019.

(2) On April 30, 2019, the Ministry of Finance issued the notice on revising and issuing the 2019 annual general enterprise financial statement format (financial accounting [2019] No. 6), which revised the general enterprise financial statement format.

The Company has prepared financial statements according to the requirements of the new financial statement format. If the items of presentation of financial statements are changed, the Company has adjusted the comparison data during the comparable period according to the relevant provisions of the accounting standards for enterprises No. 30 - presentation of financial statements.

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

Applicable  Not applicable

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

Applicable  Not applicable

Board of Directors of Dalian Refrigeration Co., Ltd.

August 24, 2019