



**Dalian Refrigeration Co., Ltd.**  
**QUARTERLY REPORT FOR FIRST QUARTER,**  
**2019**

**April, 2019**

## DALIAN REFRIGERATION CO., LTD. QUARTERLY REPORT FOR FIRST QUARTER, 2019

### §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 All the directors have attended this Board meeting of the Company.

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 Mrs. 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 Company Profile

#### 2.1 Major accounting data and financial indexes

	January-March, 2019	January-March, 2018	Increase/decrease compared with previous year
Operating revenue	565,075,729.08	515,183,744.97	9.68%
Net profit attributable to shareholders of listed companies	106,786,822.74	25,593,358.53	317.24%
Net profit belonging to the shareholders of listed companies after the deduction of non-recurring profit and loss	16,426,346.23	24,307,838.37	-32.42%
Net cash flow from operating activities	-94,192,502.27	-117,217,303.00	19.64%
Basic earnings per share	0.125	0.03	316.67%
Diluted earnings per share	0.125	0.03	316.67%
Weighted average return on net asset yield	3.11%	0.75%	Increase 2.36 percentage points
	March 31, 2019	December 31, 2018	Increase/decrease compared with year beginning
Total assets	5,484,524,296.09	5,568,279,452.26	-1.50%
Owner's equity attributable to shareholders of listed companies	3,459,628,091.76	3,377,633,617.02	2.43%

Note : 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 64.5 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.

non-recurring gains and losses

√ Applicable □ Inapplicable

Item of non-recurring gains and losses	Amount from beginning of year to the end of report period
Disposal gains and losses of non-current asset	-12,865.50
Government subsidies included in current profit or loss	337,400.00
Disposal gains from investments on financial assets	105,065,192.11

available for sale	
Other operating revenue or expense	982,620.97
Income tax effect	15,992,063.20
Minority shareholders' gains and losses	19,807.87
Total	90,360,476.51

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

Total shareholders at the end of report period			60,697			
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		
SANYO ELECTRIC CO LTD	Foreign legal person	8.72%	73,503,150	0		
Lin Zhenming	Foreign natural person	0.76%	6,400,000	0		
Wu An	Domestic natural person	0.53%	4,500,000	0		
Sun Huiming	Domestic natural person	0.52%	4,384,079	0		
BOCI SECURITIES LIMITED	Foreign legal person	0.41%	3,471,602	0		
Dalian industrial development investment Co., Ltd.	Domestic non-state-owned legal person	0.40%	3,406,725	0		
Xue Hong	Domestic natural person	0.35%	2,940,000	0		
Chen Naisheng	Domestic natural person	0.27%	2,311,330	0		
Chen Xiaoyue	Domestic natural person	0.26%	2,210,000	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.		170,916,934		A		
SANYO ELECTRIC CO LTD		73,503,150		B		
Lin Zhenming		6,400,000		B		
Wu An		4,500,000		B		
Sun Huiming		4,384,079		B		
BOCI SECURITIES LIMITED		3,471,602		B		
Dalian industrial development investment co. LTD		3,406,725		A		
Xue Hong		2,940,000		B		
Chen Naisheng		2,311,330		A		
Chen Xiaoyue		2,210,000		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.				

**§3 Important Matters****3.1 Major changes in main financial items and indexes, and description of the cause**✓ Applicable ☐ Inapplicable

1. Monetary fund decreased significantly compared with the year-beginning, mainly due to the payment for the termination of the restricted stock incentive plan of 2016 .
2. Other current assets decreased significantly compared with the year-beginning, mainly due to the change of excess VAT paid.
3. Construction in progress increased significantly compared with the year-beginning, mainly due to the investment in Intelligent manufacturing project and the R22 reduction project.
4. Employee compensation payable decreased significantly compared with the year-beginning, mainly due to the payment of provision employee compensation of last period-end during the reporting period.
5. Tax payable increased significantly compared with the year-beginning, mainly due to the increase of VAT payable and income tax payable.
6. Other accounts payable decreased significantly compared with the year-beginning, mainly due to the termination of the restricted stock incentive plan of 2016.
7. Bonds payable decreased significantly compared with the year-beginning, mainly due to the exchangeable bonds holders exchange shares centrally during the reporting period.
8. Other comprehensive income decreased significantly compared with the year-beginning, mainly due to according to the new financial instrument standard, the Company adjusted the net profit and loss of Guotai Jun 'an stock market value to retained profit at the beginning of the period.
9. Assets impairment loss increased significantly y-o-y, mainly due to the provision for bad debts increased.
10. Gain from investment increased significantly y-o-y, mainly due to the investment income of the Company's exchangeable bonds exchange .

**3.2 Important Progress and the analysis of the influence and solution**☐ Applicable ✓ Inapplicable

Progress of share buybacks

☐ Applicable ✓ Inapplicable

Progress of share buybacks in the way of centralized bidding for reduction

☐ Applicable ✓ Inapplicable**3.3 Commitments of the Company or its shareholders, actual controller and other related parties in the reporting period or carried to the reporting period**☐ Applicable ✓ Inapplicable**3.4 Precautions on forecasting that by the beginning of year till the end of the next report period, 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 The securities investment**✓ Applicable ☐ Inapplicable

Type of securities	Stock Code	Short Form of the Stock	Initial cost of investment	Accounting Measurement Model	Begin Book value	Fair Value Change Gains and Losses in the Current Period	Accumulated Fair Value Change Included in Equity	Current Purchase	Current Sale	Gains and losses during the reporting period	Final Book value	Accounting subjects	Source of fund
Stock	601211	Guotai Junan	15,710,008.00	Measuring at fair value	369,195,071.40	64,497,437.84	0.00	0.00	150,999,966.00	64,497,437.84	316,556,661.20	Other non-current financial assets	Own fund
Total			15,710,008.00	--	369,195,071.40	64,497,437.84	0.00	0.00	150,999,966.00	64,497,437.84	316,556,661.20	--	--

The amount sold in the current period is the amount of the exchangeable bondholder's exchange shares during the reporting period.

**3.6 Derivative investment**☐ Applicable ✓ Inapplicable**3.7 Table of investigation, communication, interview received**☐ Applicable ✓ Inapplicable**3.8 Violation of external guaranty**☐ Applicable ✓ Inapplicable**3.9 Non-operation capital occupation by holding shareholders and their related parties in the listed company**☐ Applicable ✓ Inapplicable

**§4 Financial Report** (attached)

Not audited.

Note: The adjustment of financial statements

New Financial Instruments Standards, New Income Standards and New Leasing Standards for the First Implementation Relevant to Financial Statements at the Beginning of the Year

✓ Applicable    ☐ Inapplicable

Before adjustment		After adjustment	
<b>Consolidated Balance Sheet</b>	<b>31-Dec-2018</b>	<b>Consolidated Balance Sheet</b>	<b>1-Jan-2019</b>
Finance asset held available for sales	382,186,729.99	Other non-current financial assets	382,186,729.99
Other comprehensive income	296,909,965.55	Other comprehensive income	2,501,459.77
Retained profit	764,859,288.45	Retained profit	1,059,267,794.23
<b>Balance sheet of parent company</b>	<b>31-Dec-2018</b>	<b>Balance sheet of parent company</b>	<b>1-Jan-2019</b>
Finance asset held available for sales	380,771,587.49	Other non-current financial assets	380,771,587.49
Other comprehensive income	295,947,864.88	Other comprehensive income	1,539,359.10
Retained profit	640,251,261.47	Retained profit	934,659,767.25

According to the new financial instrument criteria, the original item of " Finance asset held available for sales " is adjusted to "other non-current financial assets"; Adjust the amount of other comprehensive income 294,408,505.78 yuan, and adjust the amount of retained profit 294,408,505.78 yuan.

Board of Directors of Dalian Refrigeration Co., Ltd.  
April 20, 2019

**BALANCE SHEET**

Prepared by Dalian Refrigeration Co., Ltd.

March 31, 2019

Unit: RMB Yuan

Items	31-Mar-2019		31-Dec-2018	
	Consolidation	Parent Company	Consolidation	Parent Company
Current assets:				
Monetary funds	209,941,012.92	71,894,007.89	343,026,485.11	186,976,185.10
Financial assets which are measured by fair value and which changes are recorded in current profit and loss				
Derivative financial assets				
Transaction financial assets				
Notes receivable&Accounts receivable	1,375,799,499.08	589,951,642.17	1,278,838,632.86	482,389,295.25
Notes receivable	148,786,229.10	65,906,701.69	171,292,044.56	63,673,648.65
Accounts receivable	1,227,013,269.98	524,044,940.48	1,107,546,588.30	418,715,646.60
Accounts in advance	152,421,203.21	53,121,720.19	158,405,300.50	69,577,538.44
Other receivables	52,283,388.09	15,020,565.37	48,508,755.15	14,003,269.34
Interest receivables			318,886.12	318,886.12
Dividend receivable			33,450.00	
Inventories	441,703,966.17	194,904,326.29	450,195,300.53	194,747,632.08
Assets held for sale				
Non-current asset due within one year				
Other current assets	4,156,546.78	112,871.30	18,266,589.12	8,056,055.09
Total current assets	2,236,305,616.25	925,005,133.21	2,297,241,063.27	955,749,975.30
Non-current assets:				
Finance asset held available for sales			382,186,729.99	380,771,587.49
Held-to-maturity investment				
Long-term account receivable				
Long-term equity investment	1,654,219,138.55	2,236,966,467.66	1,619,693,570.97	2,201,953,842.42
Other Non-current financial assets	329,548,319.79	328,133,177.29		
Investment property	99,092,566.72	110,211,634.07	100,338,241.99	111,421,702.70
Fixed assets	943,173,246.32	716,071,336.95	953,298,058.11	725,516,578.53
Construction in progress	27,170,405.13	26,534,676.14	19,796,212.82	18,010,457.61
Engineering material				
Disposal of fixed asset				
Productive biological asset				
Oil and gas asset				
Intangible assets	145,546,361.30	69,477,696.79	147,018,592.71	70,049,323.57
Expense on Research and Development				
Goodwill	1,750,799.49		1,750,799.49	
Long-term expenses to be apportioned	12,471,030.78	10,871,582.46	12,873,428.19	11,244,777.00
Deferred income tax asset	35,246,811.76	4,358,721.03	34,082,754.72	4,303,943.48
Other non-current asset				
Total non-current asset	3,248,218,417.89	3,502,625,030.44	3,271,038,388.99	3,523,272,212.80
Total assets	5,484,524,034.14	4,427,630,163.65	5,568,279,452.26	4,479,022,188.10
Current liabilities:				
Short-term loans	270,000,000.00	250,000,000.00	250,000,000.00	250,000,000.00

Financial liabilities which are measured by fair value and which changes are recorded in current profit and loss				
Derivative financial liabilities				
Transaction financial liabilities				
Notes payable and Accounts payable	1,153,682,791.77	434,080,197.75	1,132,891,095.19	412,799,816.79
Accounts received in advance	90,924,216.15	28,465,007.34	122,151,101.00	29,579,144.85
Wage payable	10,096,643.38	1,654,620.17	31,856,136.59	7,376,290.42
Taxes payable	34,729,883.70	24,231,419.28	13,608,212.32	3,399,150.12
Other accounts payable	32,589,226.09	6,137,434.21	63,313,958.43	30,439,931.10
Interest payable	216,664.93	216,664.93	1,369,527.78	1,369,527.78
Dividend payable	533,156.00	533,156.00	533,156.00	533,156.00
Liabilities held for sale				
Non-current liabilities due within one year	2,293,332.08		2,999,574.93	
Other current liabilities				
Total current liabilities	1,594,316,093.17	744,568,678.75	1,616,820,078.46	733,594,333.28
Non-current liabilities:				
Long-term loans	177,610,335.66	160,000,000.00	160,000,000.00	160,000,000.00
Bonds payable	25,000,034.00	25,000,034.00	176,000,000.00	176,000,000.00
Preferred stock				
Perpetual bond				
Long-term account payable	1,532,949.94		1,532,949.94	
Long-term wage payable				
Special Payable				
Anticipation liabilities				
Deferred income	101,994,603.65	59,676,911.69	103,542,093.79	60,907,828.40
Deferred income tax liabilities	45,250,831.33	45,250,831.33	51,954,442.22	51,954,442.22
Other non-current liabilities				
Total non-current liabilities	351,388,520.58	289,927,543.02	493,029,485.95	448,862,270.62
Total liabilities	1,945,704,613.75	1,034,496,221.77	2,109,849,564.41	1,182,456,603.90
Shareholders' equity				
Share capital	843,212,507.00	843,212,507.00	855,434,087.00	855,434,087.00
Other equity instruments				
Preferred stock				
Perpetual bond				
Capital public reserve	726,768,468.00	771,270,562.83	760,365,342.00	804,867,436.83
Less: Treasury stock			21,026,106.00	21,026,106.00
Other comprehensive income	2,501,459.77	1,539,359.10	296,909,965.55	295,947,864.88
Special preparation				
Surplus public reserve	721,091,040.02	721,091,040.02	721,091,040.02	721,091,040.02
Generic risk reserve				
Retained profit	1,166,054,626.47	1,056,020,472.93	764,859,288.45	640,251,261.47
Total owner's equity attributable to parent company	3,459,628,101.26	3,393,133,941.88	3,377,633,617.02	3,296,565,584.20
Minority interests	79,191,319.13		80,796,270.83	
Total owner's equity	3,538,819,420.39	3,393,133,941.88	3,458,429,887.85	3,296,565,584.20
Total liabilities and shareholder's equity	5,484,524,034.14	4,427,630,163.65	5,568,279,452.26	4,479,022,188.10

Legal Representative: Ji Zhijian Chief Financial Official: Ma Yun Person in Charge of Accounting Organization: Mao Chunhua

## INCOME STATEMENT

Prepared by Dalian Refrigeration Co., Ltd.

January-March, 2019

Unit: RMB Yuan

Items	January-March, 2019		January-March, 2018	
	Consolidation	Parent Company	Consolidation	Parent Company
I. Total sales	565,075,729.08	187,665,804.78	515,183,744.97	180,020,669.02
Including: Mainly operating income	553,275,988.57	178,128,672.23	505,677,469.36	173,154,990.37
Other operating income	11,799,740.51	9,537,132.55	9,506,275.61	6,865,678.65
II. Total operating cost	587,621,855.44	194,686,339.31	509,898,926.11	182,066,309.20
Including: Operating cost	489,840,572.83	165,187,241.26	423,905,884.12	159,122,415.64
Mainly Operating cost	482,538,506.00	158,657,243.21	419,479,072.32	155,568,616.97
Other operating cost	7,302,066.83	6,529,998.05	4,426,811.80	3,553,798.67
Taxes and associate charges	4,933,219.41	2,499,744.46	4,569,447.66	2,298,420.18
Selling and distribution expenses	27,191,351.97	117,823.03	23,648,268.09	226,199.11
Administrative expenses	44,989,946.11	17,738,863.49	42,168,653.90	16,436,280.69
R&D expenses	11,557,843.31	6,485,982.26	11,274,154.05	6,768,294.36
Financial expense	3,897,660.31	2,291,501.17	5,199,059.85	1,594,855.68
Including: interest expense	2,914,151.60	2,141,926.06	3,849,983.65	2,836,958.28
interest income	317,613.19	149,671.39	1,595,022.14	1,491,796.32
Assets impairment loss	5,211,261.50	365,183.64	-866,541.56	-4,380,156.46
Add: Other income	1,695,599.00		328,499.15	
Gain/(loss) from investment	75,093,258.98	77,580,316.64	21,067,648.84	21,586,188.56
Including: income from investment on affiliated enterprise and jointly enterprise	34,525,567.58	35,012,625.24	20,767,648.84	21,286,188.56
Gain/(loss) from change in fair value	64,497,437.84	64,497,437.84		
Exchange gains				
Gain/(loss) from asset disposal	-12,865.50	-12,865.50	15,166.64	19,145.40
III. Operating profit	118,727,303.96	135,044,354.45	26,696,133.49	19,559,693.78
Add: non-business income	1,579,118.31	0.07	1,685,340.09	500.07
Including: Gain form non-current assets disposal				
Less: non-business expense	73,431.34	60,000.00	120,347.46	80,000.00
Including: Loss form non-current assets disposal				
IV. Total profit	120,232,990.93	134,984,354.52	28,261,126.12	19,480,193.85
Less: Income tax	15,051,119.89	13,623,658.34	2,589,476.69	439,653.28
V. Net profit	105,181,871.04	121,360,696.18	25,671,649.43	19,040,540.57
(I) Net profit from continuous operation				
(II) Net profit from discontinuing operation				
Net profit attributable to parent company	106,786,822.74	121,360,696.18	25,593,358.53	19,040,540.57
Minority shareholders' gains and losses	-1,604,951.70		78,290.90	
VI. After-tax net amount of other comprehensive incomes			-33,629,728.70	-33,629,728.70
After-tax net amount of other comprehensive incomes attributable to owners of the Company			-33,629,728.70	-33,629,728.70
(I) Other comprehensive incomes that will not be reclassified into gains and losses				



1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement				
2. Enjoyable shares in other comprehensive incomes in invests that cannot be reclassified into gains and losses under the equity method				
(II) Other comprehensive incomes that will be reclassified into gains and losses			-33,629,728.70	-33,629,728.70
1. Enjoyable shares in other comprehensive incomes in invests that will be reclassified into gains and losses under the equity method				
2. Gains and losses on fair value changes of available-for-sale financial assets			-33,629,728.70	-33,629,728.70
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets				
4. Effective hedging gains and losses on cash flows				
5. Foreign-currency financial statement translation difference				
6. Others				
.....				
After-tax net amount of other comprehensive incomes attributable to minority shareholders				
VII Total comprehensive income	105,181,871.04	121,360,696.18	-7,958,079.27	-14,589,188.13
Total comprehensive income attributable to parent company	106,786,822.74	121,360,696.18	-8,036,370.17	-14,589,188.13
Total comprehensive income attributable to minority shareholders	-1,604,951.70		78,290.90	
VIII. Earnings per share				
(I) basic earnings per share	0.125		0.03	
(II) diluted earnings per share	0.125		0.03	

Legal Representative: Ji Zhijian Chief Financial Official: Ma Yun Person in Charge of Accounting Organization: Mao Chunhua

**CASH FLOW STATEMENT**

Prepared by Dalian Refrigeration Co., Ltd.

January -March, 2019

Unit: RMB Yuan

Items	January -March, 2019		January -March, 2018	
	Consolidation	Parent Company	Consolidation	Parent Company
<b>I. Cash flows arising from operating activities:</b>				
Cash received from selling commodities and providing labor services	284,070,695.49	81,980,694.01	234,680,891.94	87,595,028.58
Write-back of tax received	3,542,775.88		3,340,686.50	
Other cash received concerning operating activities	7,857,373.35	1,158,866.54	14,176,990.93	3,619,053.46
Subtotal of cash inflow arising from operating activities	295,470,844.72	83,139,560.55	252,198,569.37	91,214,082.04
Cash paid for purchasing commodities and receiving labor service	226,160,305.96	98,322,285.24	186,514,869.99	111,441,564.06
Cash paid to/for staff and workers	111,727,370.94	36,960,571.65	112,992,030.52	41,872,999.01
Taxes paid	20,084,355.47	5,057,595.98	32,738,439.61	2,527,993.35
Other cash paid concerning operating activities	31,691,314.62	5,099,217.08	37,170,532.25	3,716,271.65
Subtotal of cash outflow arising from operating activities	389,663,346.99	145,439,669.95	369,415,872.37	159,558,828.07
Net cash flows arising from operating activities	-94,192,502.27	-62,300,109.40	-117,217,303.00	-68,344,746.03
<b>II. Cash flows arising from investing activities:</b>				
Cash received from recovering investment				
Cash received from investment income	33,450.00		333,450.00	300,000.00
Net cash received from disposal of fixed, intangible and other long-term assets	460,000.00	460,000.00	1,892,374.11	
Net cash received from disposal of subsidiaries and other units				
Other cash received concerning investing activities			76,000,000.00	76,000,000.00
Subtotal of cash inflow from investing activities	493,450.00	460,000.00	78,225,824.11	76,300,000.00
Cash paid for purchasing fixed, intangible and other long-term assets	4,951,109.06	2,380,864.45	77,208,918.11	70,448,645.50
Cash paid for investment			4,327,733.43	
Net cash paid for achievement of subsidiaries and other business units				
Other cash paid concerning investing activities				
Subtotal of cash outflow from investing activities	4,951,109.06	2,380,864.45	81,536,651.54	70,448,645.50
Net cash flows arising from investing activities	-4,457,659.06	-1,920,864.45	-3,310,827.43	5,851,354.50
<b>III. Cash flows arising from financing activities</b>				
Cash received from absorbing investment				
Including: Cash received from absorbing minority shareholders' equity investment by subsidiaries				
Cash received from loans	188,410,100.00	130,000,000.00	9,040,000.00	
Cash received from issuing bonds				
Other cash received concerning financing activities	38,323,050.64		30,116,287.80	

Subtotal of cash inflow from financing activities	226,733,150.64	130,000,000.00	39,156,287.80	
Cash paid for settling debts	169,838,295.15	130,000,000.00	17,810,100.00	
Cash paid for dividend and profit distributing or interest paying	3,755,722.29	3,294,788.91	4,431,888.96	3,216,043.81
Including: dividends or profit paid by subsidiaries to minority shareholders				
Other cash paid concerning financing activities	59,402,310.07	47,566,389.36	10,774,088.89	2,279,264.40
Subtotal of cash outflow from financing activities	232,996,327.51	180,861,178.27	33,016,077.85	5,495,308.21
Net cash flows arising from financing activities	-6,263,176.87	-50,861,178.27	6,140,209.95	-5,495,308.21
IV. Influence on cash due to fluctuation in exchange rate	-320,169.19	-25.09	-1,411,497.70	-686.11
V. Net increase of cash and cash equivalents	-105,233,507.39	-115,082,177.21	-115,799,418.18	-67,989,385.85
Add: Balance of cash and cash equivalents at the period -begin	304,703,434.47	186,976,185.10	364,693,406.31	234,655,092.14
VI. Balance of cash and cash equivalents at the period-end	199,469,927.08	71,894,007.89	248,893,988.13	166,665,706.29

Legal Representative: Ji Zhijian Chief Financial Official: Ma Yun Person in Charge of Accounting Organization: Mao Chunhua