

Dalian Refrigeration Co., Ltd.

Public Notice on Resolution of the 3rd Meeting of the 8th 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 9 April 2019.
2. The Board Meeting held at the scene dated 19 April 2019.
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. 2018 Work Report of the General Manager of the Company;

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

2. 2018 Work Report of the Board of Directors of the Company;

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

3. 2018 Financial Settlement Report of the Company;

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

4. 2018 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 2018 was RMB 162.141 million and 10% of the net profit (RMB 16.214 million) was drawn as the legal surplus reserve. Therefore, the profit distributable to the shareholders in the current year was RMB 145.93 million. Plus the initial undistributed profit of RMB 573.847 million and minus the dividend of RMB 42.795 million of common shares paid in 2017 and the drawn free surplus reserve of RMB 36.726 million (20%), the accumulated profit distributable to the shareholders was RMB 640.251 million.

The Company's profit distribution preplan for 2018:

Based on the net profit made by the parent company of the Company in 2018 (162.141 million), 20% of the net profit (RMB 32.428 million) will be drawn as the free surplus reserve;

Based on the total capital stock of 843,212,507 shares, the dividend of RMB 0.5 in cash (including tax) will be distributed for every 10 shares, the total cash dividend is RMB 42.161 million, and the cash dividend for B share is converted and paid in Hong Kong dollars.

The above preplan shall be submitted to the 2018 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 2018;

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

6. Quarterly Report for First Quarter of 2019;

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 2018 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 2018;

(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 2018;

(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 2018;

(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 2018;

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

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

12. 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 2019;

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 1,000 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 800 million yuan.

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

13. Report on Estimated Associated Transactions for the year 2019;

It is predicted that the total amount of routine associate transactions of the Company in the whole year of 2019 will be around RMB 770 million yuan, consisting of around RMB 280 million yuan for purchasing auxiliary products for package projects from associate parties and around RMB 490 million yuan for selling auxiliary spare parts to associate parties.

The Company's independent directors reviewed this proposal on April 9, 2019 and agreed on submitting it to the Board of Directors for discussions.

Directors of the Company, Mr. Ji Zhijian, Mrs. Xu Junrao and Mr. Takagi Toshiyuki 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.

14. Report on Engaging Auditors for the Company in 2019;

The Company planned to reengage ShineWing CPAs (Special General Partnership) as its auditors for 2019 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 2018), 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 9, 2019 and agreed on submitting it to the Board of Directors for discussions.

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

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

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

16. 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.

17. Issues relevant to 2018 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、12、13、14、15 shall be submitted to 2018 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 20, 2019

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 855,908,981.	The registered capital of the Company shall be the total paid up capital of RMB 843,212,507 .												
Article 3.2	The Company has in issue 855,908,981 shares in total, with a par value of RMB1.00 each.	The Company has in issue 843,212,507 shares in total, with a par value of RMB1.00 each.												
Article 3.3	<div>The Company has been approved to issue 855,908,981 shares in total.</div> <div>The structure of the issued share capital of the Company is as follows:</div> <table><tr><th>Type of shares</th><th>Number of shares</th></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	<div>The Company has been approved to issue 843,212,507 shares in total.</div> <div>The structure of the issued share capital of the Company is as follows:</div> <table><tr><th>Type of shares</th><th>Number of shares</th></tr><tr><td>Renminbi ordinary shares</td><td>601,712,507</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	601,712,507	Domestically listed foreign investment shares	241,500,000
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Renminbi ordinary shares	601,712,507													
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Article 3.15	<div>In the following circumstances, the Company may re-purchase its issued shares in accordance with the procedures prescribed in the Articles of Association or laid down by the stock exchange where the shares are listed and with the approval of the relevant government departments:</div> <div>1. cancellation of shares for the reduction of the Company's registered capital;</div> <div>2. merger with other companies holding the Company's shares;</div> <div>3. encouraging the Company’s employees by issuing shares to them; or</div> <div>4. there is any shareholder who has objections on the general meeting’s decision for mergence or split of the Company and requests the Company to repurchase his/her shares.</div> <div>Except in the above circumstances, the Company does not engage in trading in its stocks.</div> <div>The Company may repurchase shares in one of the following ways:</div> <div>1. The way of centralized bidding in stock exchanges;</div> <div>2. The mode of offer;</div> <div>3. Other ways approved by CSRC.</div>	<div>In the following circumstances, the Company may re-purchase its issued shares in accordance with the procedures prescribed in the Articles of Association or laid down by the stock exchange where the shares are listed and with the approval of the relevant government departments:</div> <div>1. cancellation of shares for the reduction of the Company's registered capital;</div> <div>2. merger with other companies holding the Company's shares;</div> <div>3. applying shares to employee stock ownership plan or equity incentive;</div> <div>4. there is any shareholder who has objections on the general meeting’s decision for mergence or split of the Company and requests the Company to repurchase his/her shares;</div> <div>5. applying shares to convert corporate bonds convertible to stocks issued by listed companies; or</div> <div>6. necessity of listed companies to maintain company value and shareholders' rights and interests.</div> <div>Except in the above circumstances, the Company does not engage in trading in its stocks.</div> <div>The Company may repurchase shares in one of the following ways:</div> <div>1. The way of centralized bidding in stock exchanges;</div> <div>2. The mode of offer;</div>												

		<p>3. Other ways approved by CSRC.</p> <p>Where the Company purchases its shares under the circumstances specified in items (3), (5) and (6) of paragraph 1 of this article, it shall adopt an open and centralized trading method.</p>
<p>Article 3.16</p>	<p>After repurchasing its shares as stipulated in Art. 3.15, the Company shall write off these shares within ten days from the purchasing day if it is as described in Paragraph (1) or transfer or write off these shares within six months if it is as described in Paragraphs (2) and (4).</p> <p>Any shares repurchased by the Company as stipulated in Art. 3.15 (3) shall not exceed 5% of the total shares that have been issued by the Company; the source of any funds for such repurchase shall be taken from the after-tax profit of the Company; and the repurchased shares shall be transferred to the employees within one year. The par value of the cancelled shares shall be reduced from the registered capital of the Company.</p>	<p>Where the Company purchases its shares under the circumstances of items (1) and (2) of article 3.15 of the Articles of Association, it shall be decided by the shareholders' general meeting.</p> <p>Where the Company purchases its shares under the circumstances specified in items (3), (5) and (6) of article 3.15 of the Articles of Association, the decision of the board meeting attended by more than two-thirds of the directors shall be adopted.</p> <p>Where the Company purchases its shares in accordance with article 3.15 of the Articles of Association, if it belongs to the case of item (1), it shall cancel them within 10 days from the date of acquisition; if it belongs to items (2) and (4), it shall transfer or cancel them within 6 months; if it belongs to items (3), (5) and (6), the total number of shares held by the Company shall not exceed the number of 10% of the total shares the Company has issued, and shall transfer or cancel them within three years after disclosing the results of repurchase and the announcement of changes in shares. After the acquisition of the Company's shares, the Company shall fulfill its obligation of information disclosure in accordance with the provisions of the Securities Law.</p> <p>The par value of the cancelled shares shall be reduced from the registered capital of the Company.</p>
<p>Article 5.15</p>	<p>Special resolutions at the general meeting shall be passed by two-thirds or more of the votes held by the shareholders present at the general meeting. Resolutions proposed in relation to the following matters shall be special resolutions:</p> <ol style="list-style-type: none"> 1. increase or decrease of the Company's registered capital; 2. issue of debentures by the Company; 3. merger, division, application for winding-up, dissolution and liquidation of the Company; 	<p>Special resolutions at the general meeting shall be passed by two-thirds or more of the votes held by the shareholders present at the general meeting. Resolutions proposed in relation to the following matters shall be special resolutions:</p> <ol style="list-style-type: none"> 1. increase or decrease of the Company's registered capital; 2. issue of debentures by the Company; 3. merger, division, application for winding-up, dissolution and liquidation of the Company;

	<p>4. amendment of the Articles of Association;</p> <p>5. change to the Company's classification and the method of trading shares;</p> <p>6. the Company's purchase or sale of major assets or issuance of guarantees which exceed 30% of the audited total assets as at the most recent period end within one year;</p> <p>7. the stock incentive plan; and</p> <p>8. other matters required to be resolved by special resolutions as stipulated in the Articles of Association and the laws.</p> <p>.....</p>	<p>4. amendment of the Articles of Association;</p> <p>5. the Company purchases its shares under the circumstances specified in items (1) and (2) of article 3.15 of the Articles of Association;</p> <p>6. the Company's purchase or sale of major assets or issuance of guarantees which exceed 30% of the audited total assets as at the most recent period end within one year;</p> <p>7. the stock incentive plan; and</p> <p>8. other matters required to be resolved by special resolutions as stipulated in the Articles of Association and the laws.</p> <p>.....</p>
Article 6.6	<p>Board meetings shall be held at least three times every year and shall be convened and presided by the Chairman. If the Chairman is unable to perform his duties, he may authorize the Vice-Chairman or other directors to take the chair. All directors shall be given ten day's notice of the board meeting. The notice of the board meeting shall specify the date and the venue of the board meeting name and the proposed resolutions to be passed at the board meeting. More than half of all the directors attending the board meeting shall be the quorum for board meetings. If the Chairman and the directors are unable to attend the board meeting, they may appoint proxies to attend the board meeting and vote on their behalf. Such appointment shall be in writing and the letter of appointment shall specify the authorities of the proxy.</p> <p>.....</p>	<p>Board meetings shall be held at least three times every year and shall be convened and presided by the Chairman. If the Chairman is unable to perform his duties, he may authorize the Vice-Chairman or other directors to take the chair. All directors shall be given ten day's notice of the board meeting. The notice of the board meeting shall specify the date and the venue of the board meeting name and the proposed resolutions to be passed at the board meeting. Except as otherwise stipulated in the Articles of Association, more than half of all the directors attending the board meeting shall be the quorum for board meetings. If the Chairman and the directors are unable to attend the board meeting, they may appoint proxies to attend the board meeting and vote on their behalf. Such appointment shall be in writing and the letter of appointment shall specify the authorities of the proxy.</p> <p>.....</p>
Article 6.8	<p>The Board of Directors shall have the following functions and powers:</p> <p>1. to be responsible for convening general meetings and to report the work of the Board of Directors at the general meeting;</p> <p>2. to implement resolutions passed at general meetings;</p> <p>3. to elect the Chairman and Vice-Chairmen of the Board of Directors;</p> <p>4. to determine on the production and business plans and investment strategies of the Company;</p> <p>5. to formulate the annual financial budget and final accounts of the Company, and to propose the profits distribution plans or loss offset plans;</p>	<p>The Board of Directors shall have the following functions and powers:</p> <p>1. to be responsible for convening general meetings and to report the work of the Board of Directors at the general meeting;</p> <p>2. to implement resolutions passed at general meetings;</p> <p>3. to elect the Chairman and Vice-Chairmen of the Board of Directors;</p> <p>4. to determine on the production and business plans and investment strategies of the Company;</p> <p>5. to formulate the annual financial budget and final accounts of the Company, and to propose the profits distribution plans or loss offset plans;</p>

	<p>6. to formulate plans for the increase or decrease of the Company's registered capital, to extend the number of shares to be subscribed or to decide on matters in relation to the methods for the listing and trading of the shares of the Company, pledging, leasing, transfer and takeover of the material assets of the Company and plans for the issue of debentures;</p> <p>7. to formulate plans for the division, merger, dissolution and liquidation of the Company;</p> <p>8. to determine the establishment of the internal management authorities of the Company, and to examine and approve rules and systems concerning the internal management of the Company;</p> <p>.....</p>	<p>6. to formulate plans for the increase or decrease of the Company's registered capital, to extend the number of shares to be subscribed or to decide on matters in relation to the methods for the listing and trading of the shares of the Company, pledging, leasing, transfer and takeover of the material assets of the Company and plans for the issue of debentures;</p> <p>7. to formulate plans for major acquisition, repurchase of the Company's shares under the circumstances specified in items (1) and (2) of article 3.15 of the Articles of Association , or merger, division, dissolution and change of the Company's form;</p> <p>8. to determine purchase of the Company's shares under the circumstances specified in items (3), (5) and (6) of article 3.15 of the Articles of Association;</p> <p>9. to determine the establishment of the internal management authorities of the Company, and to examine and approve rules and systems concerning the internal management of the Company;</p> <p>.....</p>
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