

## **Dalian Refrigeration Co., Ltd.** **Public Notice on Related Transaction of Rental Housing**

*Dalian Refrigeration Co., Ltd. (the “Company”) and its whole members of Board of Directors ensure that the public notice is real, accurate and complete, and there are no any important omissions, fictitious statements or serious misleading carried in this notice.*

### I. Introduction of related transaction

#### 1. General information

Dalian Refrigeration Co., Ltd. (the “Company”) entered into the House-Leasing Contract with MHI Bingshan Refrigeration (Dalian) Co., Ltd. (“MHI Bingshan”) and revised the supplementary agreement in accordance with the requirement of business development for two parties, that is lease the Company’s workshop 6# buildings with areas of 15,259.04 M<sup>2</sup> for 4.2 million Yuan rental a year to MHI Bingshan, located at No.106, Liaohe East Road, Dalian Development Zone.

2. Directors of the Company Ji Zhijian and Xu Junrao serve as the directors of MHI Bingshan, thus MHI Bingshan becomes the related legal person of the Company, and the transaction constitutes a related transaction.

3. The 18<sup>th</sup> Meeting of 6<sup>th</sup> Session of the Board held on 24 June 2015 was deliberated the above said related transaction with voting results of 7 votes in favor, 0 vote against and 0 vote waived passed. Related director Ji Zhijian and Xu Junrao are avoiding the votes. Independent directors show prior approval for the above mentioned related transaction and air independent opinions.

4. The related transaction did not constitute material assets reorganization regulated in “Management Method of Material Assets Reorganization for Listed Company”, no need to approve by Shareholders’ General Meeting.

### II. General information of related party

Name of enterprise: MHI Bingshan Refrigeration (Dalian) Co., Ltd.

Nature: Sino-foreign joint

Registration location: No.106, Liaohe East Road, Dalian Economic and Technological Development Zone

Legal representative: Ji Zhijian

Registered capital: RMB 80,000,000

Serial of business license: 210241400011082

Business scope: R&D, manufacture, wholesale and after-sale service of centrifugal type refrigerating machine sets and relevant equipment

Main shareholders: Mitsubishi Heavy Industries Ltd. holds 55% shares while 45% held by the Company.

MHI Bingshan founded on 17 July 2013 and has been formally put into operation in December 2014, and the first centrifugal off-lined on 17 December 2014.

### III. Transaction target

The house rented located at Company’s workshop 6# buildings, No.106, Liaohe East Road, Dalian Development Zone, rental areas counted as 15,259.04 M<sup>2</sup>. The house is

in the new factory district of the Company.

#### IV. Pricing policy and basis

The price for leasing was negotiated between the two parties as reference to the similar housing market price around the location.

#### V. Main content of the related transaction agreement

1. The Company leases the Company's workshop 6# buildings with areas of 15,259.04 M<sup>2</sup> for 4.2 million Yuan rental a year to MHI Bingshan, located at No.106, Liaohe East Road, Dalian Development Zone. Term of tenancy ends on 16 July 2029.
2. Payment and payment term: the rental will pay in money terms, billed on a tri-monthly basis for 1.05 million Yuan pay every time.
3. Entry-into-force conditions and time: come into force after signatures by both parties

#### VI. Purpose of transaction and impact on listed company

The house-rent, helping the MHI Bingshan's centrifugal compressor products put into production as soon as possible, change the host structure of screw machine and piston machine for the Company, furthermore, win-win co-operation with the technological superiority of Mitsubishi Heavy Industries Ltd. and production supporting advantages as well as the service advantage of the Company, vigorously exploit the large-size centrifuge market in China.

VII. The Company has no other related transaction with MHI Bingshan from the year beginning to the disclosure date.

#### VIII. Prior approval and independent opinions from independent director

Independent directors of the Company showed prior approval for the proposal dated 15 June 2015 and agreed to submit for deliberation in 18<sup>th</sup> Meeting of 6<sup>th</sup> Session of the Board. They believed that the related transaction was fair without interest of Company and minority shareholders violated, and benefit the efficient utilization of resource of the Company; voting procedure of this related transaction was legally and related directors avoiding the vote and was in full accord for the house rental.

#### IX. Documents available for reference

1. Resolution of 18<sup>th</sup> Meeting of 6<sup>th</sup> Session of the Board;
2. Independent directors' opinion.

Board of Directors of  
Dalian Refrigeration Co., Ltd.  
25 June 2015