

Dalian Refrigeration Company Limited
Related Party Transaction Announcement of Increasing Investment to
Dalian Sanyo Refrigeration Company Limited

The Company and its directors hereby guarantee that the content of information disclosure is real, accurate, complete and free from any false record, misleading representation or material omissions.

I. Overview of the transaction between related parties

Dalian Sanyo Refrigeration Company Limited (hereinafter 'DSR') is a joint venture invested by Sanyo Electric Co., Ltd. (hereinafter 'SE') and Dalian Refrigeration Company Limited (hereinafter 'the Company'), and SE holds 60% equity of DSR and the Company holds 40%.

In order to fulfilling the strategic plan and developing refrigeration business of DSR, the shareholders of DSR decided to invest another RMB110,000,000. The amount will be contributed by the two shareholders respectively according to their proportion in DSR's equity, and the Company will contribute RMB44,000,000. The Company will contribute the amount with its own fund. After the contribution, the Company's proportion in DSR's equity doesn't change. SE will also increase investment to DSR with its own fund.

Because SE holds 10% equity of the Company and is a related party of the Company, the contribution is a common investment behavior.

This investment proposal has been passed at the 14th meeting of the 5th term of Board of the Company held on March 6, 2012, with the voting results of 8 votes in favor, 0 objections, 0 waive. Related Director Mr. Hidetoshi Arima waived from voting of this proposal. The independent directors presented their opinions before voting.

The related transaction is free from prescription of 'Administration Measures for Significant Asset Restructuring of Listed Companies' issued by CSRC, and needn't approved by the meeting of shareholders, but need approved by Dalian Development Area Economy and Trade Bureau and Dalian Administration for Industry and Commerce.

II. Profiles of the investing entity

1. Overview of the related party

Name of the company: Sanyo Electric Co., Ltd.

Nature of the company: Overseas enterprise (Japan)

Registered address: 5-5, Keihan-Hondori 2-Chome, Moriguchi City, Osaka 570-8677, Japan

Main office: 5-5, Keihan-Hondori 2-Chome, Moriguchi City, Osaka 570-8677, Japan

Legal representative: Mr. Masato Ito

Registered capital: JPY333,242,319,083

Business license number: 1200-01-155854

Business scope: electricity, communication, electronics and etc.

Main shareholder: 100% equity holds by Panasonic Electric Industrial Co., Ltd.

2. History of SE and the business development during the latest three years

Sanyo Electric Co., Ltd. (hereinafter 'SE') is one of main producer of electric products in Japan, and a main cooperated partner of Dalian Refrigeration Company Limited. SE listed in Tokyo Stock Exchange until April 2011, and became a wholly-owned subsidiary of Panasonic Corporation.

Consolidated Financial Data of Sanyo Electric Co., Ltd.

(Year ended 31st March)

Monetary unit: JPY million

	Year of 2010	Year of 2009	Year of 2008
Sales	1,594,640	1,770,656	2,017,824
Domestic	627,478	670,777	742,528
Export	967,162	1,099,879	1,275,296
Operating profit	32,282	8,276	76,141
Profit attributable to parent company	-48,789	-93,226	28,700

3. The related party's sales and net profit of the latest year

Sales: JPY 1,594,640 million

Net profit: JPY -48,789 million

4. The related party's net assets of the latest year end (31st March, 2011)

Net assets: JPY 77,926 million

5. Relationship of SE and the Company

SE holds 10% equity of the Company, and is a related company of the Company.

III. Profiles of the investee

1. Overview of the investee

The Company will add investment JPY 44 million to DSR.

Main shareholders and proportion of equity of DSR: SE 60%, the Company 40%.

Business scope: Big type refrigeration and heating air-conditioner designing, manufacturing, selling and servicing.

Registered capital: JPY2,000,000,000

Incorporated: September 1992

Registered address: No. 118 Huaihe West Road Economical & Technology Development Zone, Dalian

2. DSR's financial data of last year and the latest period (unit: RMB10 thousands)

	January of 2012	Year of 2011
Total assets	4,111.7.2	40,958.7
Total liabilities	14,572.9	14,285.0
Total accounts receivable	16,188.4	16,199.1
Amount related to contingency	0	0
Net assets	26,544.3	26,673.7
Total operating income	1,231.1	50,447.8
Operating profit	-127.9	1,440.5
Net profit	-129.4	1,697.4
Net cash flow from operating activities	-576.8	-727.6

Among the above financial data, data of year 2011 were audited and data of January of 2012 were not.

3. The possession right of the investee

The possession right of the investee isn't mortgaged or pledged or have rights of the third person. There is no material disputation or lawsuit or arbitrating things on its assets. And the assets are not sealed up or frozen by judicial organization.

There is no non-operating fund occupation or guarantee or entrustment matter between DSR and the Company.

IV. Pricing policy and basis

The investing amount of SE and the Company is determined according to their proportion in DSR's equity.

V. The transaction aim and affection to the Company

The main business scope of DSR is concentrated in absorbing refrigeration equipment and gas heat pump. Since 1990s, after nearly 20 years operating, DSR has developed environment protect and energy saving technology in big air-conditioner area which is seldom in China and the highest level in the world.

In order to enlarge DSR's business scale, according to the demand of DSR's development, two shareholders decided to add investment to DSR. The investment will increase DSR's whole strength and market proportion, and increase investment income of the Company.

VI. The transactions between the Company and the related party---SE since beginning of the current year to the disclosed date

No.

VII. The ex-examination and approval of independent directors

On 24th February 2012, the independent directors of the Company ex-examined the proposal, and agreed to propose it to the 14th meeting of the 5th term of Board of the Company. The opinion of the independent directors is that the related transaction is fair and doesn't damage the Company's and minor shareholders' interests. The voting procedure was legal and the related Director waived from voting of this proposal. All independent directors voted in favor of the related transaction.

VIII. Reference articles

1. Resolutions of the 14th meeting of the 5th term of Board of the Company
2. The opinion of the independent directors

The Board of Directors of
Dalian Refrigeration Company Limited
March 8, 2012