



**Bingshan Refrigeration & Heat Transfer  
Technologies Co., Ltd.  
QUARTERLY REPORT FOR FIRST QUARTER,  
2020**

**April, 2020**

## Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd. QUARTERLY REPORT FOR FIRST QUARTER, 2020

### §1 Important Notes

1.1 The directors and the Board of Directors, the supervisors and the Supervisory Board, and Senior staff members of Bingshan Refrigeration & Heat Transfer Technologies 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. Zhang Lingling 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, 2020	January-March, 2019	Increase/decrease compared with previous year
Operating revenue	463,218,112.74	565,075,729.08	-18.03%
Net profit attributable to shareholders of listed companies	-58,673,476.79	106,786,822.74	-154.94%
Net profit belonging to the shareholders of listed companies after the deduction of non-recurring profit and loss	-29,177,871.92	16,426,346.23	-277.63%
Net cash flow from operating activities	-81,344,046.60	-94,192,502.27	13.68%
Basic earnings per share	-0.070	0.125	-156.00%
Diluted earnings per share	-0.070	0.125	-156.00%
Weighted average return on net asset yield	-1.75%	3.11%	Decrease 4.86 percentage points
	March 31, 2020	December 31, 2019	Increase/decrease compared with year beginning
Total assets	5,542,445,476.49	5,525,503,256.26	0.31%
Owner's equity attributable to shareholders of listed companies	3,320,891,553.10	3,379,565,029.89	-1.74%

Net profit attributable to parent company decreased and slipped into loss significantly y-o-y, mainly due to 1. in the same period of last year, there was a large amount of non-recurring gains, following: (1) The Gain from change in fair value of Guotai Junan has been recorded into the current profit and loss, which is about 64.50 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 about 40.57 million yuan. 2. During the reporting period, there are large amount of non-recurring losses, mainly due to that the negative change in fair value of Guotai Junan has made the Company loss about 29.51 million yuan in first quarter, 2020. 3. During the first quarter, with the affection of the 2019-nCoV, the profit has decreased along with the operating revenue.

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 from investments on financial assets available for sale	-34,719,117.68
Other operating revenue or expense	27,763.78
Income tax effect	-5,203,206.10
Minority shareholders' gains and losses	7,457.07
Total	-29,495,604.87

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

Total number of shareholders in the reporting period		50,350			
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.	Overseas legal person	8.72%	73,503,150	0	
Zhang Sufen	Domestic natural person	1.18%	9,920,000	0	
Lin Zhenming	Foreign natural person	0.77%	6,476,250	0	
Wu An	Domestic natural person	0.53%	4,500,000	0	
Sun Huiming	Domestic natural person	0.52%	4,384,079	0	
Dalian industrial development investment Co., Ltd.	Domestic non-state-owned legal person	0.40%	3,406,725	0	
Xue Hong	Domestic natural person	0.37%	3,160,000	0	
Li Xiaohua	Domestic natural person	0.36%	3,011,908	0	
Chen Naisheng	Domestic natural person	0.27%	2,311,330	0	
Shareholding of top ten shareholders without sale restriction					
Name	Number of shares without sale restriction		Type of shares		
Dalian Bingshan Group Co., Ltd.	170,916,934		RMB denominated ordinary shares		
Sanyo Electric Co., Ltd.	73,503,150		Domestically listed foreign shares		
Zhang Sufen	9,920,000		RMB denominated ordinary shares		
Lin Zhenming	6,476,250		Domestically listed foreign shares		
Wu An	4,500,000		Domestically listed foreign shares		
Sun Huiming	4,384,079		Domestically listed foreign shares		
Dalian industrial development investment Co., Ltd.	3,406,725		RMB denominated ordinary shares		
Xue Hong	3,160,000		Domestically listed foreign shares		
Li Xiaohua	3,011,908		RMB denominated ordinary shares		
Chen Naisheng	2,311,330		RMB denominated ordinary shares		
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. Other current assets has decreased significantly compared with the beginning of the year, mainly due to the change of value added tax allowance.
2. The salary payable has decreased significantly compared with the beginning of the year, mainly due to the payment of provision employee compensation of last period-end during the reporting period.
3. The tax payable has decreased significantly compared with the beginning of the year, mainly due to the decreased of VAT payable and income tax payable.
4. The interest payable has decreased significantly compared with the beginning of the year, mainly due to the decrease of interest payable of Exchangeable Bonds for which the Company has made provision.
5. The selling expenses has decreased significantly y-o-y,, mainly due to the 2019-nCoV has limited the sales activities.
6. The income on investment has decreased significantly y-o-y,, mainly due to that the holders of “18 daleng EB” has concentratedly exchanged their shares and the decrease of profit from joint enterprise.
7. The Gain from change in fair value has decreased significantly y-o-y, mainly due to the change in fair value of Guotai Junan, with that the fair value of Guotai Junan has changed positively in last year.

#### 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. 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	290,478,047.92	-34,719,117.68	0.00	0.00	0.00	-34,719,117.68	255,758,930.24	Other non-current financial assets	Own fund
Total			15,710,008.00	--	290,478,047.92	-34,719,117.68	0.00	0.00	0.00	-34,719,117.68	255,758,930.24	--	--

#### 3.5 Trust management

Applicable  Inapplicable

#### 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.

Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd..  
April 18, 2020

## BALANCE SHEET

Prepared by Bingshan Refrigeration &amp; Heat Transfer Technologies Co., Ltd. March 31, 2020 Unit: RMB Yuan

Items	31-Mar-2020		31-Dec-2019	
	Consolidation	Parent Company	Consolidation	Parent Company
Current assets:				
Monetary funds	257,896,330.71	143,480,538.57	332,119,146.22	175,586,251.46
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	95,874,315.96	17,505,928.03	119,947,326.41	12,692,689.97
Accounts receivable	1,092,109,911.02	486,472,441.91	1,030,342,541.88	526,554,114.61
Accounts in advance	156,137,240.17	45,579,257.99	142,786,528.57	44,560,934.56
Other receivables	38,551,443.01	5,554,538.43	38,731,228.57	5,981,993.82
Interest receivables	243,833.33	243,833.33	583,833.33	583,833.33
Dividend receivable			33,450.00	-
Inventories	582,037,033.58	241,547,521.35	539,497,213.39	212,558,464.52
Contract assets	70,543,910.91	49,297,421.98		
Assets held for sale				
Non-current asset due within one year				
Other current assets	8,625,352.10	365,330.54	14,172,130.45	32,843.40
Total current assets	2,301,775,537.46	989,802,978.80	2,217,596,115.49	977,967,292.34
Non-current assets:				
Finance asset held available for sales				
Held-to-maturity investment				
Long-term account receivable				
Long-term equity investment	1,658,983,146.26	2,241,434,653.20	1,662,181,009.14	2,244,411,383.88
Other Non-current financial assets	268,750,588.83	267,335,446.33	303,469,706.51	302,054,564.01
Investment property	94,955,980.73	105,325,967.33	96,200,507.24	106,536,035.96
Fixed assets	974,533,299.81	762,357,430.20	992,435,172.94	776,349,872.24
Construction in progress	27,750,969.52	27,212,183.40	36,285,056.80	27,212,183.40
Engineering material				
Disposal of fixed asset				
Productive biological asset				
Oil and gas asset				
Intangible assets	139,897,525.24	67,520,635.12	141,540,378.10	68,221,989.91
Expense on Research and Development				
Goodwill	1,750,799.49	-	1,750,799.49	
Long-term expenses to be apportioned	10,861,441.14	9,378,804.30	11,646,845.47	9,751,998.84
Deferred income tax asset	63,186,188.01	14,083,416.72	62,397,665.08	13,858,811.66
Other non-current asset				
Total non-current asset	3,240,669,939.03	3,494,648,536.60	3,307,907,140.77	3,548,396,839.90
Total assets	5,542,445,476.49	4,484,451,515.40	5,525,503,256.26	4,526,364,132.24
Current liabilities:				
Short-term loans	372,882,000.00	325,082,000.00	355,252,000.00	308,082,000.00
Financial liabilities which are measured by fair value and which changes are recorded in current profit and				

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loss				
Derivative financial liabilities				
Transaction financial liabilities				
Notes payable	274,684,437.37	181,430,891.65	305,468,505.38	189,540,652.01
Accounts payable	900,029,441.58	293,858,029.92	814,331,684.02	293,479,043.69
Accounts received in advance			160,571,622.53	47,114,426.48
Contract liability	190,591,881.95	52,055,389.70		
Wage payable	17,062,700.96	3,208,852.05	31,701,317.58	8,702,907.01
Taxes payable	5,207,750.17	514,994.55	8,184,018.69	5,156,115.24
Other accounts payable	45,278,459.25	10,569,973.15	55,921,060.69	18,817,980.14
Interest payable	4,195,511.00	4,195,511.00	6,396,385.83	6,386,700.29
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	12,581,005.57		14,174,643.42	
Other current liabilities				
Total current liabilities	1,818,317,676.85	866,720,131.02	1,745,604,852.31	870,893,124.57
Non-current liabilities:				
Long-term loans	160,000,000.00	160,000,000.00	160,000,000.00	160,000,000.00
Bonds payable	25,000,034.00	25,000,034.00	25,000,034.00	25,000,034.00
Preferred stock				
Perpetual bond				
Long-term account payable	397,771.84		397,771.84	
Long-term wage payable				
Special Payable				
Anticipation liabilities				
Deferred income	108,635,425.29	65,510,924.29	99,157,538.52	55,744,166.29
Deferred income tax liabilities	36,007,338.34	36,007,338.34	41,215,205.99	41,215,205.99
Other non-current liabilities				
Total non-current liabilities	330,040,569.47	286,518,296.63	325,770,550.35	281,959,406.28
Total liabilities	2,148,358,246.32	1,153,238,427.65	2,071,375,402.66	1,152,852,530.85
Shareholders' equity				
Share capital	843,212,507.00	843,212,507.00	843,212,507.00	843,212,507.00
Other equity instruments				
Preferred stock				
Perpetual bond				
Capital public reserve	726,768,468.00	771,270,562.83	726,768,468.00	771,270,562.83
Less: Treasury stock				
Other comprehensive income	2,501,459.77	1,539,359.10	2,501,459.77	1,539,359.10
Special preparation				
Surplus public reserve	768,723,812.53	768,723,812.53	768,723,812.53	768,723,812.53
Generic risk reserve				
Retained profit	979,685,305.80	946,466,846.29	1,038,358,782.59	988,765,359.93
Total owner's equity attributable to parent company	3,320,891,553.10	3,331,213,087.75	3,379,565,029.89	3,373,511,601.39
Minority interests	73,195,677.07		74,562,823.71	
Total owner's equity	3,394,087,230.17	3,331,213,087.75	3,454,127,853.60	3,373,511,601.39
Total liabilities and shareholder's equity	5,542,445,476.49	4,484,451,515.40	5,525,503,256.26	4,526,364,132.24

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

## INCOME STATEMENT

Prepared by Bingshan Refrigeration &amp; Heat Transfer Technologies Co., Ltd. January-March, 2020 Unit: RMB Yuan

Items	January-March, 2020		January-March, 2019	
	Consolidation	Parent Company	Consolidation	Parent Company
I. Total sales	463,218,112.74	217,808,613.09	565,075,729.08	187,665,804.78
II. Total operating cost	485,575,464.17	226,346,383.90	582,410,593.94	194,321,155.67
Including: Operating cost	414,328,988.51	196,082,951.13	489,840,572.83	165,187,241.26
Taxes and associate charges	4,038,552.44	2,331,118.74	4,933,219.41	2,499,744.46
Selling and distribution expenses	16,095,155.55	4,224,366.98	27,191,351.97	117,823.03
Administrative expenses	35,455,415.17	12,585,339.27	44,989,946.11	17,738,863.49
R&D expenses	11,662,148.49	7,332,035.22	11,557,843.31	6,485,982.26
Financial expense	3,995,204.01	3,790,572.56	3,897,660.31	2,291,501.17
Including: interest expense	4,750,606.24	3,778,395.12	2,914,151.60	2,141,926.06
interest income	448,047.40	284,041.47	317,613.19	149,671.39
Add:Other income	285,999.00		1,695,599.00	
Gain/(loss) from investment	-3,197,862.88	-2,976,730.68	75,093,258.98	77,580,316.64
Including: income from investment on affiliated enterprise and jointly enterprise	-3,197,862.88	-2,976,730.68	34,525,567.58	35,012,625.24
Exchange gains				
Gain/(loss) from change in fair value (loss as “-“)	-34,719,117.68	-34,719,117.68	64,497,437.84	64,497,437.84
Credit impairment loss (loss as “-“)	-4,769,827.90	-1,497,367.18		
Assets impairment loss (loss as “-“)			-5,211,261.50	-365,183.64
Gain/(loss) from asset disposal (loss as “-“)			-12,865.50	-12,865.50
III. Operating profit	-64,758,160.89	-47,730,986.35	118,727,303.96	135,044,354.45
Add: non-business income	33,981.40		1,579,118.31	0.07
Less: non-business expense	6,217.62		73,431.34	60,000.00
IV. Total profit	-64,730,397.11	-47,730,986.35	120,232,990.93	134,984,354.52
Less: Income tax	-4,689,773.68	-5,432,472.71	15,051,119.89	13,623,658.34
V. Net profit	-60,040,623.43	-42,298,513.64	105,181,871.04	121,360,696.18
(I) Net profit from continuous operation	-60,040,623.43	-42,298,513.64	105,181,871.04	121,360,696.18
(II)Net profit from discontinuing operation				
Net profit attributable to parent company	-58,673,476.79	-42,298,513.64	106,786,822.74	121,360,696.18
Minority shareholders' gains and losses	-1,367,146.64		-1,604,951.70	
VI. After-tax net amount of other comprehensive incomes				
After-tax net amount of other comprehensive incomes attributable to owners of the Company				
(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				
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				



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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	-60,040,623.43	-42,298,513.64	105,181,871.04	121,360,696.18
Total comprehensive income attributable to parent company	-58,673,476.79	-42,298,513.64	106,786,822.74	121,360,696.18
Total comprehensive income attributable to minority shareholders	-1,367,146.64		-1,604,951.70	
VIII. Earnings per share				
(I) basic earnings per share	-0.070		0.125	
(II) diluted earnings per share	-0.070		0.125	

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

**CASH FLOW STATEMENT**

Prepared by Bingshan Refrigeration &amp; Heat Transfer Technologies Co., Ltd. January -March, 2020 Unit: RMB Yuan

Items	January -March, 2020		January -March, 2019	
	Consolidation	Parent Company	Consolidation	Parent Company
<b>I. Cash flows arising from operating activities:</b>				
Cash received from selling commodities and providing labor services	257,472,529.16	125,683,620.91	284,070,695.49	81,980,694.01
Write-back of tax received	7,307,826.92	5,313,787.64	3,542,775.88	
Other cash received concerning operating activities	20,384,332.77	12,349,840.37	7,857,373.35	1,158,866.54
Subtotal of cash inflow arising from operating activities	285,164,688.85	143,347,248.92	295,470,844.72	83,139,560.55
Cash paid for purchasing commodities and receiving labor service	242,147,949.65	141,669,537.38	226,160,305.96	98,322,285.24
Cash paid to/for staff and workers	86,707,677.37	28,940,034.25	111,727,370.94	36,960,571.65
Taxes paid	13,355,622.64	6,304,759.03	20,084,355.47	5,057,595.98
Other cash paid concerning operating activities	24,297,485.79	6,731,739.07	31,691,314.62	5,099,217.08
Subtotal of cash outflow arising from operating activities	366,508,735.45	183,646,069.73	389,663,346.99	145,439,669.95
Net cash flows arising from operating activities	-81,344,046.60	-40,298,820.81	-94,192,502.27	-62,300,109.40
<b>II. Cash flows arising from investing activities:</b>				
Cash received from recovering investment				
Cash received from investment income	33,450.00		33,450.00	
Net cash received from disposal of fixed, intangible and other long-term assets			460,000.00	460,000.00
Net cash received from disposal of subsidiaries and other units				
Other cash received concerning investing activities				
Subtotal of cash inflow from investing activities	33,450.00		493,450.00	460,000.00
Cash paid for purchasing fixed, intangible and other long-term assets	2,463,218.90	2,059,890.98	4,951,109.06	2,380,864.45
Cash paid for investment				
Net cash paid for achievement of subsidiaries and other business units				
Other cash paid concerning investing activities				
Subtotal of cash outflow from investing activities	2,463,218.90	2,059,890.98	4,951,109.06	2,380,864.45
Net cash flows arising from investing activities	-2,429,768.90	-2,059,890.98	-4,457,659.06	-1,920,864.45
<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	151,880,000.00	147,000,000.00	188,410,100.00	130,000,000.00
Cash received from issuing bonds				
Other cash received concerning financing activities	30,591,791.66	743,155.00	38,323,050.64	
Subtotal of cash inflow from financing activities	182,471,791.66	147,743,155.00	226,733,150.64	130,000,000.00
Cash paid for settling debts	135,080,832.44	130,000,000.00	169,838,295.15	130,000,000.00
Cash paid for dividend and profit distributing or interest paying	7,527,840.11	6,747,169.98	3,755,722.29	3,294,788.91
Including: dividends or profit paid by subsidiaries to minority shareholders				
Other cash paid concerning financing activities	6,904,480.50	2,195,748.00	59,402,310.07	47,566,389.36
Subtotal of cash outflow from financing activities	149,513,153.05	138,942,917.98	232,996,327.51	180,861,178.27
Net cash flows arising from financing activities	32,958,638.61	8,800,237.02	-6,263,176.87	-50,861,178.27
<b>IV. Influence on cash due to fluctuation in exchange rate</b>	137,331.79	168.88	-320,169.19	-25.09

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V. Net increase of cash and cash equivalents	-50,677,845.10	-33,558,305.89	-105,233,507.39	-115,082,177.21
Add: Balance of cash and cash equivalents at the period -begin	301,527,354.56	174,843,096.46	304,703,434.47	186,976,185.10
VI. Balance of cash and cash equivalents at the period-end	250,849,509.46	141,284,790.57	199,469,927.08	71,894,007.89

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