

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

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 funds
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

Board of Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd.

April 18, 2020