

## Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd. 2020 Semiannual Report Summary

### Important Notes

This summary is extracted from the original of the semiannual report. For more information, the investors are recommended to refer to the original.

Non-standard audit opinion presentation  Applicable  Not applicable

Profit distribution and dividend payment  Applicable  Not applicable

### §1 Company Profile

Short form of the stock	Bingshan; Bingshan B
Stock code	000530; 200530
Listed stock exchange	Shenzhen Stock Exchange
Legal name in Chinese	冰山冷热科技股份有限公司
Short form of legal name	冰山冷热
Legal English name	Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd.
Abbreviation of legal English name	Bingshan
Legal representative	Ji Zhijian

### §2 Summary of Accounting Data and Financial Indexes

Did the Company retroactively adjust or restate the accounting data of previous years due to change in the accounting policy and correction of accounting mistakes?

Yes  No

Unit: RMB Yuan

	2020.1-6	2019.1-6	Increase/decrease compared with the same period of last year
Operating revenue	873,403,414.46	1,075,729,240.57	-18.81%
Net profit attributable to shareholders of listed companies	-23,604,345.52	108,373,919.30	-121.78%
Net profit belonging to the shareholders of listed companies after the deduction of non-recurring profit and loss	-8,256,994.99	35,262,178.97	-123.42%
Net cash flow from operating activities	-78,350,688.75	-77,776,037.88	-0.74%
Basic earnings per share	-0.028	0.127	-122.05%
Diluted earnings per share	-0.028	0.127	-122.05%
Weighted average return on net asset yield	-0.70%	3.16%	Decrease 3.86 percentage points
	2020.6.30	2019.12.31	Increase/decrease compared with 2019.12.31
Total assets	5,612,514,325.40	5,525,503,256.26	1.57%
Owner's equity attributable to shareholders of listed companies	3,330,664,309.16	3,379,565,029.89	-1.45%

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 since Jan. 1, 2019, which is about 40.46 million yuan;(2) During the same period of last year, 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 16.42 million yuan first half-year.3.During the first half of 2020, with the affection of the 2019-nCoV, the profit of the Company and associated companies has decreased along with the operating revenue.

### §3 Statement of shares held by the top ten common shareholders

Total number of shareholders in the reporting period				47,718	
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	0
Sanyo Electric Co., Ltd.	Overseas legal person	8.72%	73,503,150	0	0
Zhang Sufen	Domestic natural person	2.00%	16,900,000	0	0
Lin Zhenming	Foreign natural person	0.80%	6,753,920	0	0
Wu An	Domestic natural person	0.53%	4,500,000	0	0
Sun Huiming	Domestic natural person	0.52%	4,384,079	0	0
Xue Hong	Domestic natural person	0.42%	3,530,730	0	0
Dalian industrial development investment Co., Ltd.	Domestic non-state-owned legal person	0.40%	3,406,725	0	0
Li Xiaohua	Domestic natural person	0.36%	3,011,908	0	0
Chen Naisheng	Domestic natural person	0.27%	2,311,330	0	0
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.				

### §4 Variation in controlling shareholders or actual controllers

Variation in controlling shareholders in the report period

Applicable  Not applicable

Variation in actual controllers in the report period

Applicable  Not applicable

### §5 Information on Preferred Stock

Applicable  Not applicable

In the reporting period, the Company didn't own preferred stock.

### §6 Corporate Bonds

The Company's non-public issuance of exchangeable corporate bonds was listed at the Shanghai Stock Exchange on August 6, 2018. As of August 1, 2018, according to the using plan disclosed in

the prospectus, the raised funds of the Company's non-public issuance of exchangeable corporate bonds have been used to repay bank loans. The special account for the Company's 2018 exchangeable corporate bonds fund raising was cancelled in March 2019. During the reporting period, the Company's exchangeable corporate were not exchanged for shares.

#### **§7 Business discussion and analysis**

In the first half of 2020, the Company continued to focus on "exploitation, pragmatism, collaboration and action" to maintain strategic momentum, strengthen development confidence, focus on hot and cold main businesses, deepen market segmentation, continuously improve and innovate, and strive to achieve major business objectives. In the first half of 2020, the Company achieved operating income of 873,403 thousand yuan, a year-on-year decrease of 18.81%; achieved net profit attributable to shareholders of the Company of -23,604 thousand yuan. Net profit decreased and slipped into loss significantly y-o-y, mainly due to: in the same period of last year, there were large amount of non-recurring gains; during the reporting period, there were large amount of non-recurring losses; during the reporting period, with the affection of the 2019-nCoV, the profit has decreased along with the operating revenue for the Company and associate companies.

During the reporting period, the Company made steady progress and operated prudently. The prevention and control of the epidemic situation was carried out pragmatically, the production and operation were stable and orderly, and the sales and orders steadily rebounded. The Company undertook the "Liaoning Province Novel Corona virus Infection Pneumonia Centralized Treatment Center Project and the Sixth Hospital of Dalian Negative Pressure Ward Reconstruction Project", contributing professional strength to the prevention and control of the epidemic. We optimized business and collaboration systems, implemented matrix management, and the technology and market were integrated more closely. We also renamed the Company, unified the trade name and trademark, enhanced the brand value of Bingshan, and highlighted the Company's hot and cold main business.

During the reporting period, Wuhan New World Refrigeration, a subsidiary of the Company, faced the impact of the epidemic and resumed work in an orderly manner. It overcame many difficulties such as travel limitation and isolation, and assisted the key project of country's poverty alleviation, i.e. the refrigeration system complete installation project for developing the collective economic poultry industry at the impoverished villages of Moyu County, Hetian District, Xinjiang, to ensure the feeding and production on schedule. Comprehensive solutions such as natural gas liquefaction, industrial waste heat utilization, and coal mine shaft antifreeze were further optimized.

During the reporting period, Bingshan Engineering Company, a subsidiary of the Company, established several professional work departments to further develop its superior market segment. In the food cold chain market, it gave full play to the first-class qualification advantages, integrated resources, established strategic cooperation with major customers, won bids for carbon dioxide projects, corn deep processing projects, central kitchen projects, ammonia system renovation projects and other representative projects; in the petrochemical market, it continued to consolidate its inherent advantages; in the beer and dairy market, key customers have been well maintained, and orders have increased significantly on a year-on-year basis; in the natural gas

liquefaction market, it has achieved new developments, and LNG engineering general contracting projects have received orders again; in the ship market, R717, R507, and R404 refrigerant refrigerating units have been successfully launched, the installation of the freezing station for large air-cooled cold-storage boats that broke the monopoly of foreign ships was completed.

During the reporting period, Bingshan Service Company, the Company's subsidiary, accelerated digital applications through online and offline two-wheel drive. Bingshan Shared Service Platform has been built in an orderly manner and has provided services for many Bingshan-funded enterprises. Through product traceability, APP one-click repair service, 4S regional security management, remote operation and maintenance services, computer room hosting and transportation and other system solutions, it can effectively solve the customers' pain points.

During the reporting period, Panasonic Appliances Compressor, an associate company of the Company, continued its transformation. Through the reform of the marketing system and the construction of product informatization, the focus of sales has shifted from large customers to small and medium customers. It established a quality center testing center to integrate testing resources and improve the efficiency of quality management. The horizontal scroll compressor obtained the first batch of orders and officially entered the European electric bus market.

During the reporting period, Panasonic Appliances Cold Chain, an associate company of the Company, focused on the new retail and new catering markets. Aiming at the novel corona virus epidemic, urged consumption patterns to change business opportunities, focused on core products such as refrigerating smart self pick-up cabinets, heating smart dining cabinets, and refrigerating smart vending cabinets, optimized contactless distribution/sales solutions, and further developed IoT smart cabinets in China and international markets.

During the reporting period, Panasonic Appliances Refrigeration, the Company's associated company, consolidated and improved its engineering competitiveness. It transformed from regional marketing to field marketing, tilted towards key industries, deeply explored market segment, the engineering orders increased significantly on a year-on-year basis. The full life cycle cold chain engineering network cloud platform with integrated solutions as the core was built in an orderly manner, and digital applications were solidly promoted.

During the reporting period, Fuji Bingshan, an associate company of the Company, continued to promote the intelligent and diversified development of its products. The newly developed multi-function intelligent addressing mini supermarket expanded the sales function of multiple categories. Fully automatic freshly brewed coffee machines, vending machines selling masks, and fresh machines placed in the community have all been officially launched.

During the reporting period, Jingxue Company, an associate company of the Company, as an enterprise under review for the initial public offering on the ChiNext of the China Securities Regulatory Commission, submitted relevant applications to the ChiNext, which began the implementation of the registration system pilot, and has been officially accepted by the Shenzhen Stock Exchange on July 1, 2020, and is currently under review.

During the reporting period, the Company actively promoted the cultivation and incubation of emerging businesses while transforming and upgrading its original businesses. Bingshan Wisdom Park Company, the Company's indirect associate company, cooperated in the construction of the old factory's intelligent industrial park, enriched humanistic feelings, and focused on intelligent innovation; Hua Hui Da actively expanded financing channels and enlarged business scale around the high-quality customers of the hot and cold businesses of Bingshan; Fuji Bingshan Control helped the smart energy management of Bingshan, steadily promoted demonstration customers in market segments; Kelvins Technology implemented the growth strategy of software driving hardware, energizing the hot and cold business with innovative technology.

### **§8 Matters related to financial report**

8.1 Change in accounting policies, accounting estimates and accounting methods compared with the financial statements of the previous year

Applicable  Not applicable

The Ministry of Finance issued on July 5, 2017 about revision issued by the accounting standards for enterprises no. 14 - revenue income guidelines (hereinafter generally referred to as the "income guidelines"), in domestic and at the same time, listed companies and listed overseas and adopted international financial reporting standards or companies prepare financial statements on the accounting standard for business enterprises, effective as of January 1, 2018; Other domestic listed enterprises shall enter into force as of January 1, 2020; Non-listed enterprises that implement the accounting standards for Business Enterprises shall enter into force as of January 1, 2021. In accordance with the above requirements, the Company will implement the relevant guidelines as of January 1, 2020.

8.2 Correction of major accounting mistakes in the reporting period, which should be retroactively restated

Applicable  Not applicable

8.3 Explanation on change of consolidation scope in the report period compared with the latest annual report

Applicable  Not applicable

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

August 22, 2020