

Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd.

QUARTERLY REPORT FOR THIRD 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 The Company's quarterly financial report has not been audited.
- 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 Ms. Wang Jinxiu 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 Major accounting data and changes of shareholders

2.1 Major accounting data and financial indexes

Is there any traceable adjustment to the financial statements for the previous report period?

Yes No

	2020.9.30	2019.12.31		Increase/decrease over 2019.12.31
Total assets	5,675,344,576.31		5,525,503,256.26	2.71%
Shareholder's equity attributable to parent company	3,358,611,568.59		3,379,565,029.89	-0.62%
	2020.7-9	Increase/decrease over 2019.7-9	2020.1-9	Increase/decrease over 2019.1-9
Total operating income	462,998,187.84	22.71%	1,336,401,602.30	-8.03%
Net profit attributable to parent company	27,947,259.43	793.93%	4,342,913.91	-95.84%
Net profit attributable to parent company after deducting non-recurring gains/losses	10,312,723.62	125.81%	2,055,728.63	-94.84%
Net cash generated from operating activities	-18,397,809.85	-518.58%	-96,748,498.60	-19.81%
Basic earnings per share	0.033	925.00%	0.005	-95.93%
Diluted earnings per share	0.033	925.00%	0.005	-95.93%
Weighted average return on net asset yield	0.83%	Increase 0.93 percentage points	0.13%	Decrease 2.93 percentage points

Net profit attributable to parent company of 2020.1-9 decreased 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 30.05 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 period of 2020.1-9, the profit of the associated companies has decreased.

Non-recurring profits and losses and their amounts

Item of non-recurring gains and losses	Amount from beginning of year to the end of report period
Profit and loss from disposal of non-current assets	191,798.01
Government subsidies which were included in the current profits and losses	6,149,407.71
Income from changes in fair value during the period of holding financial assets	-5,887,502.00

available for sale and income from disposal of financial assets available for sale	
Other non-operating incomes and expenses except the above mentioned	2,456,905.41
Income tax effects	497,305.70
Minority equity interests effects (after tax)	126,118.15
Total	2,287,185.28

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

Total shareholders at the end of report period		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	1.85%	15,620,000	0	
Lin Zhenming	Foreign natural person	0.80%	6,740,000	0	
Wu An	Domestic natural person	0.53%	4,500,000	0	
Sun Huiming	Domestic natural person	0.52%	4,384,079	0	
Xue Hong	Domestic natural person	0.42%	3,520,000	0	
Dalian industrial development investment Co., Ltd.	Domestic non-state-owned legal person	0.40%	3,406,725	0	
Li Xiaohua	Domestic natural person	0.38%	3,162,908	0	
Chen Naisheng	Domestic natural person	0.27%	2,311,330	0	
Particulars about shares held by the top ten negotiable shareholders not subject to conditional sales					
Name of shareholder	EORP (shares)	Type			
Dalian Bingshan Group Co., Ltd.	170,916,934	A			
SANYO ELECTRIC CO LTD	73,503,150	B			
Zhang Sufen	15,620,000	A			
Lin Zhenming	6,740,000	B			
Wu An	4,500,000	B			
Sun Huiming	4,384,079	B			
Xue Hong	3,520,000	B			
Dalian industrial development investment Co., Ltd.	3,406,725	A			
Li Xiaohua	3,162,908	A			
Chen Naisheng	2,311,330	A			
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.				

Did the Company's shareholders conduct the agreed repurchase transactions in the reporting period?

Yes No

Information on the total number of preferred shareholders and the shares held by top ten preferred shareholders as of the end of the reporting period

Yes No

§3 Important Matters

3.1 Major changes in main financial items and indexes, and description of the cause

Applicable Inapplicable

- Notes receivable decreased significantly compared with the beginning of the year, mainly due to payment by bills in current period is reduced.
- Dividend receivable increased significantly compared with the beginning of the year, mainly due to the unmatured dividends receivable of Panasonic Compressor.
- Inventory increased significantly compared with the beginning of the year, mainly due to a large number of completed projects in this period.
- Contract liabilities increased significantly compared with the beginning of the year, mainly due to the increase of orders in the current period and the corresponding increase in advance payment.
- Salary payable 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.
- Tax payable increased significantly compared with the beginning of the year, mainly due to the increase of VAT

payable and income tax payable.

7. Interest payable 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.
8. Financial expenses increased significantly on a year-on-year basis, mainly due to the increase of short-term loans and interest expenses in the current period.
9. Income on investment decreased significantly on a year-on-year basis, mainly due to that the holders of “18 daleng EB” has exchanged their shares and the decrease of profit from joint enterprise.
10. Gain from change in fair value decreased significantly on a year-on-year basis, mainly due to the negative change in fair value of Guotai Junan in the current period, and the positive change in fair value of Guotai Junan in last year.
11. Net cash flows arising from investment activities increased significantly on a year-on-year basis, mainly due to the sale of some Guotai Junan shares, and investment in new plant area decreased in the current period.
12. Net cash flows arising from financing activities decreased significantly on a year-on-year basis, mainly due to the decrease of cash received from loans in the current period.

3.2 Analytic description of major matters, their influence and solutions

Applicable Not applicable

3.3 Commitments of the Company or its shareholders holding 5% or higher of the shares in the reporting period or carried to the reporting period

Applicable Not applicable

3.4 Financial assets investment

3.4.1 Securities investment

Applicable Not applicable

Stock code	Stock abbreviation	Initial investment cost	Accounting measurement model	Book value at the beginning	Changes in the profit and loss of the fair value in this period	Accumulative change of fair value credited to equity	Current sale amount	Report period profit and loss	Book value in the ending	Accounting subjects	Source of funds
601211	Guotai Jun'an	13,710,008.00	fair value measurement	253,498,047.92	-5,887,502.00	0.00	40,851,340.31	-540,598.88	250,070,545.92	Other Non-current financial asset	Own funds
Other Securities Investment		0.00	--	0.00	0.00	0.00	0.00	0.00	0.00	--	--
total		13,710,008.00	--	253,498,047.92	-5,887,502.00	0.00	40,851,340.31	-540,598.88	250,070,545.92	--	--

Until 30 September, 2020, the Company held 13,710,008 numbers of shares of Guotai Jun'an Securities Co., Ltd. The Company sold 2,000,000 numbers of shares of Guotai Jun'an, and received cash dividend RMB 5,346,903.12 Yuan during the reporting period.

3.4.2 Derivative investment

Applicable Not applicable

3.5 Progress of projects invested by raised funds

Applicable Not applicable

3.6 Precautions on forecasting of 2020

The accumulated net profit may be turned into loss or change greatly compared with that in the same period of the last year, and description of the cause

Applicable Not applicable

3.7 Major contract of daily operation

Applicable Not applicable

During the reporting period, the Company does not exist derivative investment.

3.8 Trust management

Applicable Not applicable

There is no entrusted financial management during the reporting period of the Company.

3.9 Violation of guaranty

Applicable Not applicable

There was no illegal external guarantee during the reporting period of the Company.

3.10 Non-operation capital occupation by holding shareholders and their related parties in the listed company

Applicable Not applicable

During the reporting period, there is no non-operation capital occupied by the controlling shareholders and their related parties.

3.11 Registration form of reception research, communication, interview and other activities during the reporting

period

Applicable Not applicable

During the reporting period, there was no reception, investigation, communication, interview and other activities held by the Company.

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

October 28, 2020