



**Bingshan Refrigeration & Heat Transfer
Technologies Co., Ltd.
QUARTERLY REPORT FOR FIRST QUARTER,
2021**

April, 2021

Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd. QUARTERLY REPORT FOR FIRST QUARTER, 2021

§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. 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 Company Profile

2.1 Major accounting data and financial indexes

	January-March, 2021	January-March, 2020	Increase/decrease compared with previous year
Operating revenue	491,609,773.09	463,218,112.74	6.13%
Net profit attributable to shareholders of listed companies	-28,904,736.89	-58,673,476.79	50.74%
Net profit belonging to the shareholders of listed companies after the deduction of non-recurring profit and loss	-16,049,142.03	-29,177,871.92	45.00%
Net cash flow from operating activities	17,535,066.89	-81,344,046.60	121.56%
Basic earnings per share	-0.034	-0.070	51.43%
Diluted earnings per share	-0.034	-0.070	51.43%
Weighted average return on net asset yield	-0.86%	-1.75%	Increase 0.89 percentage points
	March 31, 2021	December 31, 2020	Increase/decrease compared with year beginning
Total assets	5,808,295,767.48	5,681,568,328.36	2.23%
Owner's equity attributable to shareholders of listed companies	3,346,705,051.18	3,375,609,788.07	-0.86%

The net profit of the Company was in deficit (year-on-year loss reduction) , mainly due to 1.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 14.16million yuan in first quarter,2021.2. During the reporting period, affected by the rising price of raw materials, the cost pressure of the Company and its affiliates increased, and the improvement effect of the Company's main business was not fully reflected.

non-recurring gains and losses

Applicable Inapplicable

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Item of non-recurring gains and losses	Amount from beginning of year to the end of report period
Disposal gains and losses of non-current asset	-581.47
Government subsidies included in current profit or loss	293,055.99
Disposal gains from investments on other non-current financial assets, or gains from fair value change of other non-current financial assets	-16,653,910.32
Other operating revenue or expense	1,579,351.60
Income tax effect	-2,179,769.97
Minority shareholders' gains and losses	253,280.63
Total	-12,855,594.86

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

Total number of shareholders in the reporting period		45,887			
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	
Lin Zhenming	Foreign natural person	0.80%	6,740,000	0	
Wu An	Domestic natural person	0.53%	4,500,000	0	
Zhang Hui	Domestic natural person	0.52%	4,388,975	0	
Zhang Sufen	Domestic natural person	0.48%	4,100,000	0	
Sun Huiming	Domestic natural person	0.43%	3,620,979	0	
Xue Hong	Domestic natural person	0.42%	3,570,000	0	
Kong Guiyan	Domestic natural person	0.42%	3,554,754	0	
Dalian industrial development investment Co., Ltd.	Domestic non-state-owned legal person	0.40%	3,406,725	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		
Lin Zhenming	6,740,000		Domestically listed foreign shares		
Wu An	4,500,000		Domestically listed foreign shares		
Zhang Hui	4,388,975		RMB denominated ordinary shares		
Zhang Sufen	4,100,000		RMB denominated ordinary shares		
Sun Huiming	3,620,979		Domestically listed foreign shares		
Xue Hong	3,570,000		Domestically listed foreign shares		
Kong Guiyan	3,554,754		RMB denominated ordinary shares		
Dalian industrial development investment Co., Ltd.	3,406,725		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. Accounts in advance has increased significantly compared with the beginning of the year, mainly due to the increase of orders in this period, especially the increase of engineering projects, and the need to pay the supplier in advance.
2. Other receivables has decreased significantly compared with the beginning of the year, mainly due to the receipt of the second phase of the Bingshan Consulting equity transfer price.
3. Contract liability has increased significantly compared with the beginning of the year, mainly due to the increase of orders, advance payment increased.
4. 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.
5. The selling expenses has increased significantly y-o-y, mainly due to the 2019-nCoV has limited the sales activities in the same period last year.
6. Net cash flows arising from operating activities has increased significantly y-o-y, mainly due to the increase in cash received from selling commodities.
7. Net cash flows arising from investing activities has increased significantly y-o-y, mainly due to the receipt of the second phase of the Bingshan Consulting equity transfer price.
8. Net cash flows arising from financing activities has decreased significantly y-o-y, mainly due to a decrease in cash received for borrowing and an increase in cash paid for debt repayment.

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. Financial asset investment

1. 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	12,910,008.00	Measuring at fair value	226,312,440.24	-16,653,910.32	0.00	0.00	0.00	-16,653,910.32	209,658,529.92	Other non-current financial assets	Own fund
Total			12,910,008.00	--	226,312,440.24	-16,653,910.32	0.00	0.00	0.00	-16,653,910.32	209,658,529.92	--	--

2. Derivative investment

Applicable ✓ Inapplicable

3.5 Progress of investment projects raised funds

Applicable ✓ Inapplicable

3.6 Estimated operating results for the period January-June 2021

Applicable ✓ Inapplicable

3.7 Daily operation of major contracts

Applicable ✓ Inapplicable

3.8 Trust management

Applicable ✓ Inapplicable

3.9 Violation of external guaranty

Applicable ✓ Inapplicable

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

Applicable ✓ Inapplicable

3.11 3.7 Table of investigation, communication, interview received

Applicable ✓ Inapplicable

§4 Financial Report (attached)

Not audited.

Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd..
April 24, 2021

BALANCE SHEET

Prepared by Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd.

March 31, 2021

Unit: RMB Yuan

Items	31-Mar-2021		31-Dec-2020	
	Consolidation	Parent Company	Consolidation	Parent Company
Current assets:				
Monetary funds	401,044,513.70	261,305,621.61	373,445,731.67	208,325,740.71
Transaction financial assets				
Financial assets which are measured by fair value and which changes are recorded in current profit and loss				
Derivative financial assets				
Notes receivable	128,707,637.20	60,765,850.04	139,121,037.78	42,858,563.72
Accounts receivable	863,745,293.92	391,911,142.47	817,011,955.75	408,625,925.91
Receivables financing	80,507,734.57	10,664,377.09	61,737,282.56	5,752,810.30
Accounts in advance	204,002,671.24	69,364,442.73	154,481,509.35	62,620,914.33
Other receivables	38,640,100.04	9,054,590.75	67,527,176.86	41,183,397.14
Interest receivables	321,988.49	321,988.49	46,879.68	46,879.68
Dividend receivable	25,923.75		25,923.75	
Inventories	792,750,387.93	274,456,276.18	731,658,797.98	255,635,206.96
Contract assets	83,407,671.84	37,238,332.18	91,430,011.60	38,366,253.50
Assets held for sale				
Non-current asset due within one year	42,315,866.24	19,488,435.75	42,003,576.60	19,488,435.75
Other current assets	19,407,344.18	1,260,508.41	23,214,091.44	27,637.13
Total current assets	2,654,529,220.86	1,135,509,577.21	2,501,631,171.59	1,082,884,885.45
Non-current assets:				
Finance asset held available for sales				
Held-to-maturity investment				
Long-term account receivable	65,842,873.64	45,964,783.15	65,867,973.25	45,964,783.15
Long-term equity investment	1,604,169,334.74	2,287,881,997.71	1,597,241,363.62	2,280,377,981.04
Other non-current financial assets	222,650,188.51	221,235,046.01	239,304,098.83	237,888,956.33
Investment property	125,015,274.56	99,546,575.61	126,288,477.92	100,762,366.02
Fixed assets	853,606,901.24	709,753,931.04	891,147,058.82	721,701,015.39
Construction in progress	33,921,264.98	8,817,853.13	34,254,599.42	9,160,965.22
Right-of-use asset	22,836,784.65			
Productive biological asset				
Oil and gas asset				
Intangible assets	145,540,687.31	76,218,720.92	145,442,721.24	76,619,078.55
Expense on Research and Development				
Goodwill	1,750,799.49	-	1,750,799.49	-
Long-term expenses to be apportioned	9,267,574.61	7,886,026.14	9,660,538.07	8,259,220.68
Deferred income tax asset	69,164,862.89	13,890,619.39	68,979,526.11	13,940,130.98
Other non-current asset				
Total non-current asset	3,153,766,546.62	3,471,195,553.10	3,179,937,156.77	3,494,674,497.36
Total assets	5,808,295,767.48	4,606,705,130.31	5,681,568,328.36	4,577,559,382.81
Current liabilities:				
Short-term loans	277,471,600.00	265,011,600.00	282,971,600.00	276,011,600.00
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	300,313,580.50	207,469,985.96	295,151,372.38	202,747,834.50
Accounts payable	825,621,029.01	323,407,586.23	767,267,232.43	254,630,956.73
Accounts received in advance				
Contract liability	434,290,421.60	75,977,220.76	295,100,657.10	67,468,174.27
Wage payable	7,600,893.68	1,180,039.25	31,125,808.94	11,187,502.65
Taxes payable	9,964,599.41	5,916,590.79	9,714,194.25	4,244,948.37
Other accounts payable	42,847,008.57	8,750,284.74	43,017,466.38	17,179,194.67
Interest payable	534,524.58	506,666.89	1,839,166.81	1,839,166.81
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	42,798,019.69	25,000,034.00	37,157,126.41	25,000,034.00
Other current liabilities	145,868,671.40	60,654,208.54	152,173,946.30	50,815,558.18
Total current liabilities	2,086,775,823.86	973,367,550.27	1,913,679,404.19	909,285,803.37
Non-current liabilities:				
Long-term loans	150,000,000.00	150,000,000.00	160,000,000.00	160,000,000.00
Bonds payable				
Preferred stock				
Perpetual bond				
Lease liability	13,813,161.87			
Long-term account payable		-	14,622,463.75	-
Long-term wage payable				
Special payable				
Anticipation liabilities	7,592,239.01		7,592,239.01	
Deferred income	102,838,577.85	62,788,076.85	104,457,568.86	64,121,068.86
Deferred income tax liabilities	29,512,278.29	29,512,278.29	32,010,364.83	32,010,364.83
Other non-current liabilities				
Total non-current liabilities	303,756,257.02	242,300,355.14	318,682,636.45	256,131,433.69
Total liabilities	2,390,532,080.88	1,215,667,905.41	2,232,362,040.64	1,165,417,237.06
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	805,525,775.33	805,525,775.33	805,525,775.33	805,525,775.33
Generic risk reserve				
Retained profit	968,696,841.08	969,489,020.64	997,601,577.97	990,593,941.49
Total owner's equity attributable to parent company	3,346,705,051.18	3,391,037,224.90	3,375,609,788.07	3,412,142,145.75
Minority interests	71,058,635.42	-	73,596,499.65	-
Total owner's equity	3,417,763,686.60	3,391,037,224.90	3,449,206,287.72	3,412,142,145.75
Total liabilities and shareholder's equity	5,808,295,767.48	4,606,705,130.31	5,681,568,328.36	4,577,559,382.81

INCOME STATEMENT

Prepared by Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd.

January-March, 2021

Unit: RMB Yuan

Items	January-March, 2021		January-March, 2020	
	Consolidation	Parent Company	Consolidation	Parent Company
I. Total sales	491,609,773.09	207,068,046.50	463,218,112.74	217,808,613.09
II. Total operating cost	516,884,426.17	221,810,715.80	485,575,464.17	226,346,383.90
Including: Operating cost	436,518,281.93	183,709,910.61	414,328,988.51	196,082,951.13
Taxes and associate charges	4,447,799.12	3,080,853.02	4,038,552.44	2,331,118.74
Selling and distribution expenses	24,476,670.80	9,934,114.53	16,095,155.55	4,224,366.98
Administrative expenses	33,940,534.49	15,100,337.50	35,455,415.17	12,585,339.27
R&D expenses	14,447,195.16	7,004,699.31	11,662,148.49	7,332,035.22
Financial expense	3,053,944.68	2,980,800.84	3,995,204.01	3,790,572.56
Including: interest expense	4,333,295.72	3,417,512.19	4,750,606.24	3,778,395.12
interest income	785,952.58	734,141.25	448,047.40	284,041.47
Add: Other income	293,055.99	-	285,999.00	-
Gain/(loss) from investment	6,927,971.12	7,504,016.67	-3,197,862.88	-2,976,730.68
Including: income from investment on affiliated enterprise and jointly enterprise	6,927,971.12	7,504,016.67	-3,197,862.88	-2,976,730.68
Gain/(loss) from change in fair value	-16,653,910.32	-16,653,910.32	-34,719,117.68	-34,719,117.68
Credit impairment loss (loss as "--")	288,504.20	6,808.26	-4,769,827.90	-1,497,367.18
Assets impairment loss (loss as "--")	-337,530.96	333,269.01	-	-
Gain/(loss) from asset disposal	-581.47	-399.28	-	-
III. Operating profit	-34,757,144.52	-23,552,884.96	-64,758,160.89	-47,730,986.35
Add: non-business income	1,713,891.63	48.54	33,981.40	-
Less: non-business expense	134,540.03	659.38	6,217.62	-
IV. Total profit	-33,177,792.93	-23,553,495.80	-64,730,397.11	-47,730,986.35
Less: Income tax	-1,735,191.80	-2,448,574.95	-4,689,773.68	-5,432,472.71
V. Net profit	-31,442,601.12	-21,104,920.85	-60,040,623.43	-42,298,513.64
(I) Net profit from continuous operation	-31,442,601.12	-21,104,920.85	-60,040,623.43	-42,298,513.64
(II) Net profit from discontinuing operation				
Net profit attributable to parent company	-28,904,736.89	-21,104,920.85	-58,673,476.79	-42,298,513.64
Minority shareholders' gains and losses	-2,537,864.23	-	-1,367,146.64	-
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. Changes in the fair value of other debt investments				
3. Gains and losses on fair value changes of available-for-sale financial assets				

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4. The amount of financial assets reclassified into other comprehensive income				
5. Held-to-maturity investments are reclassified as saleable financial asset gains and losses				
6. Others				
After-tax net amount of other comprehensive incomes attributable to minority shareholders				
VII Total comprehensive income	-31,442,601.12	-21,104,920.85	-60,040,623.43	-42,298,513.64
Total comprehensive income attributable to parent company	-28,904,736.89	-21,104,920.85	-58,673,476.79	-42,298,513.64
Total comprehensive income attributable to minority shareholders	-2,537,864.23	-	-1,367,146.64	-
VIII. Earnings per share				
(I) basic earnings per share	-0.034	-	-0.070	-
(II) diluted earnings per share	-0.034	-	-0.070	-

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

CASH FLOW STATEMENT

Prepared by Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd.

January-March, 2021

Unit: RMB Yuan

Items	January-March, 2021		January-March, 2020	
	Consolidation	Parent Company	Consolidation	Parent Company
I. Cash flows arising from operating activities:				
Cash received from selling commodities and providing labor services	443,778,928.68	216,681,750.84	257,472,529.16	125,683,620.91
Write-back of tax received	5,865,413.95	-	7,307,826.92	5,313,787.64
Other cash received concerning operating activities	16,836,637.09	3,422,644.44	20,384,332.77	12,349,840.37
Subtotal of cash inflow arising from operating activities	466,480,979.72	220,104,395.28	285,164,688.85	143,347,248.92
Cash paid for purchasing commodities and receiving labor service	287,732,394.01	118,663,130.48	242,147,949.65	141,669,537.38
Cash paid to/for staff and workers	107,685,576.50	33,014,930.96	86,707,677.37	28,940,034.25
Taxes paid	18,796,664.89	11,280,347.35	13,355,622.64	6,304,759.03
Other cash paid concerning operating activities	34,731,277.43	13,405,854.15	24,297,485.79	6,731,739.07
Subtotal of cash outflow arising from operating activities	448,945,912.83	176,364,262.94	366,508,735.45	183,646,069.73
Net cash flows arising from operating activities	17,535,066.89	43,740,132.34	-81,344,046.60	-40,298,820.81
II. Cash flows arising from investing activities:				
Cash received from recovering investment	-	-		
Cash received from investment income			33,450.00	-
Net cash received from disposal of fixed, intangible and other long-term assets	5,000.00	5,000.00	-	-
Net cash received from disposal of subsidiaries and other units	36,263,700.00	36,263,700.00	-	-
Other cash received concerning investing activities				
Subtotal of cash inflow from investing activities	36,268,700.00	36,268,700.00	33,450.00	-
Cash paid for purchasing fixed, intangible and other long-term assets	1,642,241.62	1,278,562.43	2,463,218.90	2,059,890.98
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	1,642,241.62	1,278,562.43	2,463,218.90	2,059,890.98
Net cash flows arising from investing activities	34,626,458.38	34,990,137.57	-2,429,768.90	-2,059,890.98
III. Cash flows arising from financing activities				
Cash received from absorbing investment				
Including: Cash received from absorbing minority shareholders' equity investment by subsidiaries				
Cash received from loans	136,330,000.00	127,000,000.00	151,880,000.00	147,000,000.00
Cash received from issuing bonds				
Other cash received concerning financing activities	78,196,961.15	23,123,472.43	30,591,791.66	743,155.00
Subtotal of cash inflow from financing activities	214,526,961.15	150,123,472.43	182,471,791.66	147,743,155.00
Cash paid for settling debts	154,668,693.39	148,000,000.00	135,080,832.44	130,000,000.00
Cash paid for dividend and profit distributing or interest paying	5,404,836.44	4,750,012.11	7,527,840.11	6,747,169.98
Including: dividends or profit paid by subsidiaries to minority shareholders				
Other cash paid concerning financing activities	59,364,339.93	22,103,989.52	6,904,480.50	2,195,748.00
Subtotal of cash outflow from financing activities	219,437,869.76	174,854,001.63	149,513,153.05	138,942,917.98
Net cash flows arising from financing activities	-4,910,908.61	-24,730,529.20	32,958,638.61	8,800,237.02
IV. Influence on cash due to fluctuation in exchange rate	232,247.23	-376.90	137,331.79	168.88

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V. Net increase of cash and cash equivalents	47,482,863.89	53,999,363.81	-50,677,845.10	-33,558,305.89
Add: Balance of cash and cash equivalents at the period -begin	314,978,460.49	185,202,268.28	301,527,354.56	174,843,096.46
VI. Balance of cash and cash equivalents at the period-end	362,461,324.38	239,201,632.09	250,849,509.46	141,284,790.57

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