

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

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 funds
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

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

April 24, 2021