



**Bingshan Refrigeration & Heat Transfer
Technologies Co., Ltd.
QUARTERLY REPORT FOR FIRST QUARTER,
2022**

April, 2022

Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd. QUARTERLY REPORT FOR FIRST QUARTER, 2022

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 Chairman of the Board of Directors of the Company, Financial Majordomo, and the head of Accounting Department hereby confirm that the financial report of the quarterly report is true and complete.

1.3 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.

§1 Major accounting data

1.1 Major accounting data and financial indexes

	January-March, 2022	January-March, 2021	Increase/decrease compared with previous year
Operating revenue	580,124,203.74	491,609,773.09	18.01%
Net profit attributable to shareholders of listed companies	-12,758,270.89	-28,904,736.89	55.86%
Net profit belonging to the shareholders of listed companies after the deduction of non-recurring profit and loss	5,827,430.25	-16,049,142.03	136.31%
Net cash flow from operating activities	-106,839,308.54	17,535,066.89	-709.29%
Basic earnings per share	-0.015	-0.034	55.88%
Diluted earnings per share	-0.015	-0.034	55.88%
Weighted average return on net asset yield	-0.43%	-0.86%	Increase 0.43 percentage points
	March 31, 2022	December 31, 2021	Increase/decrease compared with year beginning
Total assets	5,620,932,292.27	5,735,570,604.67	-2.00%
Owner's equity attributable to shareholders of listed companies	2,989,748,394.58	3,002,842,837.47	-0.44%

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 20.22 million yuan in first quarter, 2022.
2. During the reporting period, the Company focused on hot and cold industries, continued to cultivate advantageous market segments, solidly improved its core competitiveness, accelerated the improvement of its main business, and turned its net profit into profit after deducting non recurring profits and losses.

1.2 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	1,328.76
Government subsidies included in current profit or loss	1,330,265.28
Disposal gains from investments on other non-current financial assets, or gains from fair value change of other non-current financial assets	-23,861,817.44
Other operating revenue or expense	899,935.71
Income tax effect	-3,197,063.17
Minority shareholders' gains and losses	152,476.62
Total	-18,585,701.14

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

✓ Applicable □ Inapplicable

(1). Receivables financing decreased 60.53% compared with the beginning of the year, mainly due to the undue acceptance of high credit banks.
(2). Accounts paid in advance increased 36.11% 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 price of bulk raw materials continues to rise, which need to advance payment to suppliers.
(3). Right of use assets decreased 32.15% compared with the beginning of the year, mainly due to the reduction of companies in the scope of merger (the transfer of Bingshan Service shares was completed).
(4). Salary payable decreased 85.13% 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). Other accounts payable decreased 43.42% compared with the beginning of the year, mainly due to the increase of current expenses such as the balance of reimbursement paid to individuals and the payment of freight.
(6). Gain from change in fair value decreased 43.28% on a year-on-year basis, mainly due to the negative change of Goutai Junan share price.
(7). Net cash flows arising from operating activities decreased 124.37 million yuan on a year-on-year basis, mainly due to the increase of product and engineering orders and the increase of cash paid for the purchase of raw materials and engineering construction.
(8). Net cash flows arising from financing activities decreased 35.38 million yuan on a year-on-year basis, mainly due to the reduction of working capital loans, and the cash paid for debt repayment increased.

§2 shareholders information

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

Total number of shareholders in the reporting period				82,592	
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%	6,730,000	0	
Chen Yong	Domestic natural person	0.54%	4,520,000		
Wu An	Domestic natural person	0.53%	4,500,000	0	
Xue Hong	Domestic natural person	0.43%	3,600,000	0	
Dalian industrial development investment Co., Ltd.	Domestic non-state-owned legal person	0.40%	3,406,725	0	
Li Xiaohua	Domestic natural person	0.37%	3,145,608	0	
Zhan Changcheng	Domestic natural person	0.35%	2,971,647	0	
Chen Cirou	Domestic natural person	0.31%	2,635,550	0	
Shareholding of top ten shareholders without sale restriction					
Name	Number of shares without sale		Type of shares		

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	restriction	
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	6,730,000	Domestically listed foreign shares
Chen Yong	4,520,000	RMB denominated ordinary shares
Wu An	4,500,000	Domestically listed foreign shares
Xue Hong	3,600,000	Domestically listed foreign shares
Dalian industrial development investment Co., Ltd.	3,406,725	RMB denominated ordinary shares
Li Xiaohua	3,145,608	RMB denominated ordinary shares
Zhan Changcheng	2,971,647	Domestically listed foreign shares
Chen Cirou	2,635,550	Domestically listed foreign 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.	

Note: at the end of the reporting period, the total number of shareholders of the Company was 82,592, including 75,160 A-share shareholders and 7,432 B-share shareholders.

2.2 Total number of preferred shareholders and shareholding of top 10 preferred shareholders of the company

Applicable Inapplicable

§3 Other important matters

Applicable Inapplicable

During the reporting period, the Board of Directors of the Company reviewed and approved the report on the transfer of equity of Bingshan technology services (Dalian) Co., Ltd. and completed the equity transfer. By the end of March 2022, Bingshan technical services (Dalian) Co., Ltd. will no longer be included in the scope of the Company's consolidated statements.

§4 Financial Report (attached)

Not audited.

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

April 23, 2022

CONSOLIDATED BALANCE SHEET

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

March 31, 2022

Unit: RMB Yuan

Items	31-Mar-2022	31-Dec-2021
Current assets:		
Monetary funds	395,020,872.40	522,658,505.79
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	160,160,380.30	166,430,365.74
Accounts receivable	824,500,659.90	821,548,678.85
Receivables financing	17,246,416.09	43,704,310.38
Accounts in advance	248,663,838.92	182,701,403.55
Other receivables	67,901,951.85	60,340,096.45
Interest receivables		
Dividend receivable	25,923.75	1,003,568.75
Inventories	1,028,721,180.26	1,014,527,127.82
Contract assets	105,659,263.05	109,859,658.79
Assets held for sale		
Non-current asset due within one year	14,990,989.30	14,990,989.30
Other current assets	24,963,255.60	24,525,076.71
Total current assets	2,887,828,807.67	2,961,286,213.38
Non-current assets:		
Finance asset held available for sales		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	1,241,883,989.86	1,231,504,533.45
Other non-current financial assets	232,259,847.17	261,410,664.61
Investment property	118,858,115.62	120,752,809.61
Fixed assets	844,262,425.94	855,395,405.85
Construction in progress	39,807,454.38	38,974,478.45
Right-of-use asset	16,238,321.32	23,934,703.37
Productive biological asset		
Oil and gas asset		
Intangible assets	139,702,458.49	142,592,738.10
Expense on Research and Development		
Goodwill	1,750,799.49	1,750,799.49
Long-term expenses to be apportioned	7,181,522.95	8,088,684.23
Deferred income tax asset	91,158,549.38	89,879,574.13
Other non-current asset		
Total non-current asset	2,733,103,484.60	2,774,284,391.29
Total assets	5,620,932,292.27	5,735,570,604.67
Current liabilities:		
Short-term loans	196,203,916.72	245,937,091.72
Financial liabilities which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liabilities		

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Transaction financial liabilities		
Notes payable	371,424,658.75	380,033,039.56
Accounts payable	991,338,355.92	919,871,927.53
Accounts received in advance		
Contract liability	474,484,553.28	499,719,963.40
Wage payable	5,225,929.25	35,148,782.48
Taxes payable	10,123,843.67	13,514,847.82
Other accounts payable	31,279,424.33	55,284,140.21
Interest payable		
Dividend payable	533,156.00	3,008,156.00
Liabilities held for sale		
Non-current liabilities due within one year	20,450,927.09	24,175,388.12
Other current liabilities	169,544,831.46	195,213,206.91
Total current liabilities	2,270,076,440.47	2,368,898,387.75
Non-current liabilities:		
Long-term loans	150,000,000.00	150,000,000.00
Bonds payable		
Preferred stock		
Perpetual bond		
Lease liability	4,156,176.02	5,394,021.14
Long-term account payable	23,998,505.26	19,998,913.29
Long-term wage payable		
Special payable		
Anticipation liabilities		
Deferred income	104,228,578.12	106,185,323.82
Deferred income tax liabilities	31,268,727.09	35,596,349.70
Other non-current liabilities		
Total non-current liabilities	313,651,986.49	317,174,607.95
Total liabilities	2,583,728,426.96	2,686,072,995.70
Shareholders' equity		
Share capital	843,212,507.00	843,212,507.00
Other equity instruments		
Preferred stock		
Perpetual bond		
Capital public reserve	719,879,694.78	720,215,866.78
Less:Treasury stock		
Other comprehensive income	2,178,681.73	2,178,681.73
Special preparation		
Surplus public reserve	809,471,199.64	809,471,199.64
Generic risk reserve		
Retained profit	615,006,311.43	627,764,582.32
Total owner's equity attributable to parent company	2,989,748,394.58	3,002,842,837.47
Minority interests	47,455,470.73	46,654,771.50
Total owner's equity	3,037,203,865.31	3,049,497,608.97
Total liabilities and shareholder's equity	5,620,932,292.27	5,735,570,604.67

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

CONSOLIDATED INCOME STATEMENT

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

January-March, 2022

Unit: RMB Yuan

Items	January-March, 2022	January-March, 2021
I. Total sales	580,124,203.74	491,609,773.09
II. Total operating cost	577,913,040.39	516,884,426.17
Including: Operating cost	498,267,124.81	436,518,281.93
Taxes and associate charges	3,902,568.08	4,447,799.12
Selling and distribution expenses	27,893,989.00	24,476,670.80
Administrative expenses	31,089,049.53	33,940,534.49
R&D expenses	13,871,052.81	14,447,195.16
Financial expense	2,889,256.16	3,053,944.68
Including: interest expense	3,488,895.03	4,333,295.72
interest income	1,293,302.61	785,952.58
Add: Other income	1,330,265.28	293,055.99
Gain/(loss) from investment	9,816,076.84	6,927,971.12
Including: income from investment on affiliated enterprise and jointly enterprise	10,379,456.43	6,927,971.12
Gain/(loss) from change in fair value	-23,861,817.44	-16,653,910.32
Credit impairment loss (loss as “-“)	-7,027,144.32	288,504.20
Assets impairment loss (loss as “-“)	-559,933.94	-337,530.96
Gain/(loss) from asset disposal	1,328.76	-581.47
III. Operating profit	-18,090,061.47	-34,757,144.52
Add: non-business income	939,431.78	1,713,891.63
Less: non-business expense	39,496.07	134,540.03
IV. Total profit	-17,190,125.76	-33,177,792.92
Less: Income tax	-5,232,554.10	-1,735,191.80
V. Net profit	-11,957,571.66	-31,442,601.12
(I) Net profit from continuous operation	-11,957,571.66	-31,442,601.12
(II) Net profit from discontinuing operation		
Net profit attributable to parent company	-12,758,270.89	-28,904,736.89
Minority shareholders' gains and losses	800,699.23	-2,537,864.23
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		
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		

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After-tax net amount of other comprehensive incomes attributable to minority shareholders		
VII Total comprehensive income	-11,957,571.66	-31,442,601.12
Total comprehensive income attributable to parent company	-12,758,270.89	-28,904,736.89
Total comprehensive income attributable to minority shareholders	800,699.23	-2,537,864.23
VIII. Earnings per share		
(I) basic earnings per share	-0.015	-0.034
(II) diluted earnings per share	-0.015	-0.034

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

CONSOLIDATED CASH FLOW STATEMENT

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

January-March, 2022

Unit: RMB Yuan

Items	January-March, 2022	January-March, 2021
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	500,361,015.88	443,778,928.68
Write-back of tax received	3,578,931.71	5,865,413.95
Other cash received concerning operating activities	18,461,468.38	16,836,637.09
Subtotal of cash inflow arising from operating activities	522,401,415.97	466,480,979.72
Cash paid for purchasing commodities and receiving labor service	473,893,381.54	287,732,394.01
Cash paid to/for staff and workers	101,373,036.54	107,685,576.50
Taxes paid	13,478,309.63	18,796,664.89
Other cash paid concerning operating activities	40,495,996.80	34,731,277.43
Subtotal of cash outflow arising from operating activities	629,240,724.51	448,945,912.83
Net cash flows arising from operating activities	-106,839,308.54	17,535,066.89
II. Cash flows arising from investing activities:		
Cash received from recovering investment	300,000.00	
Cash received from investment income	27,612,431.60	
Net cash received from disposal of fixed, intangible and other long-term assets	98,000.00	5,000.00
Net cash received from disposal of subsidiaries and other units		36,263,700.00
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	28,010,431.60	36,268,700.00
Cash paid for purchasing fixed, intangible and other long-term assets	5,116,381.41	1,642,241.62
Cash paid for investment		
Net cash paid for achievement of subsidiaries and other business units		
Other cash paid concerning investing activities	10,428,455.96	
Subtotal of cash outflow from investing activities	15,544,837.37	1,642,241.62
Net cash flows arising from investing activities	12,465,594.23	34,626,458.38
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	147,000,000.00	136,330,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities	96,864,996.29	78,196,961.15
Subtotal of cash inflow from financing activities	243,864,996.29	214,526,961.15
Cash paid for settling debts	187,633,750.00	154,668,693.39
Cash paid for dividend and profit distributing or interest paying	5,179,787.72	5,404,836.44
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash paid concerning financing activities	82,872,922.79	59,364,339.93
Subtotal of cash outflow from financing activities	275,686,460.51	219,437,869.76
Net cash flows arising from financing activities	-31,821,464.22	-4,910,908.61
IV. Influence on cash due to fluctuation in exchange rate	86,419.22	232,247.23
V. Net increase of cash and cash equivalents	-126,108,759.31	47,482,863.89
Add: Balance of cash and cash equivalents at the period -begin	438,969,337.87	314,978,460.49
VI. Balance of cash and cash equivalents at the period-end	312,860,578.56	362,461,324.38

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