

Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd. QUARTERLY REPORT FOR THIRD QUARTER, 2024

The directors and the Board of Directors of Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd. hereby confirm that there are no any important omissions, fictitious statements or serious misleading carried in this report.

Important Notes

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.
2. Chairman of the Board of Directors of the Company Mr. Ji Zhijian, Financial Majordomo Mrs. Wang Jinxiu and the head of Accounting Department Mrs. Wubin hereby confirm that the financial report of the quarterly report is true and complete.
3. The Company's quarterly financial report has not been audited.

§1 Major accounting data and changes of shareholders

1.1 Major accounting data and financial indexes

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

Yes No

	2024.7-9	2023.7-9	Increase/decrease over 2023.7-9	2024.1-9	2023.1-9	Increase/decrease over 2023.1-9
Total operating income	1,251,298,834.59	1,274,571,520.64	-1.83%	3,714,576,184.29	3,602,108,233.69	3.12%
Net profit attributable to parent company	16,044,687.93	14,469,128.62	10.89%	94,574,665.85	71,883,527.84	31.57%
Net profit attributable to parent company after deducting non-recurring gains/losses	3,705,366.38	1,479,838.85	150.39%	71,052,345.33	46,938,009.37	51.37%
Net cash generated from operating activities	—	—	—	-45,286,230.18	-166,271,484.31	72.76%
Basic earnings per share	0.02	0.02	—	0.11	0.09	22.22%
Diluted earnings per share	0.02	0.02	—	0.11	0.09	22.22%
Weighted average return on net asset yield	0.52%	0.47%	Increase 0.05 percentage points	3.08%	2.34%	Increase 0.74 percentage points
	2024.9.30			2023.12.31		Increase/decrease over 2023.12.31
Total assets	7,686,096,758.19			8,162,848,294.25		-5.84%
Shareholder's equity attributable to parent company	3,118,076,325.55			3,047,513,577.75		2.32%

Item of non-recurring gains and losses	Amount of this report period	Amount from beginning of year to the end of report period
Profit and loss from disposal of non-current assets	-1,621,839.37	8,345,044.23
Government subsidies which were included in the current profits and losses	2,223,609.30	14,003,857.91

When the investment cost of a subsidiary, associate or joint venture is less than that of the investment, an enterprise shall enjoy the income generated by the fair value of the identifiable net assets of the invested entity	12,546,509.20	-1,963,801.44
Allowance for impairment reversal of receivables tested separately for impairment		395,042.85
Gains and losses on debt restructuring	-131,678.14	894,060.53
Profit or loss arising from contingencies unrelated to the normal operation of the company		
Other non-operating incomes and expenses except the above mentioned	1,501,752.86	5,710,593.06
Income tax effects	2,185,179.88	3,908,916.30
Minority equity interests effects (after tax)	-6,147.58	-46,439.68
Total	12,339,321.55	23,522,320.52

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

✓ Applicable □ Inapplicable

(1). Other accounts payable decreased 41.31% compared with the beginning of the year, mainly due to the maturity of notes payable on the supply chain platform and the decrease in the issuance of current payments.

(2). Other current liabilities decreased 36.53% compared with the beginning of the year, mainly due to the decrease in the maturity of notes receivable that have been endorsed and cannot be terminated.

(3). Other income increased 20.51 million yuan on a year-on-year basis, mainly due to an increase in the benefit of the VAT allowance.

(4). Gain from change in fair value decreased 12.33 million on a year-on-year basis, mainly due to negative changes in Guotai Junan stock price.

(5). Gain from asset disposal increased 8.11 million on a year-on-year basis, mainly due to the Company's subsidiary Sanyo compressor sold machinery and equipment and gage molds.

(6). Net cash flows arising from operating activities increased 120.99 million yuan on a year-on-year basis, mainly due to strengthening the recovery of goods, improving payment methods and increasing bills and other payments at the same time

(7). Net cash flows arising from investing activities increased 135.63 million yuan on a year-on-year basis, mainly due to the cash inflow from the disposal of fixed assets and the impact of time deposits of the investment nature of subsidiaries.

(8). Net cash flows arising from financing activities decreased 138.24 million yuan on a year-on-year basis, mainly due to the repayment of merger and acquisition loans and CDB loans.

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	48,960	Total number of shareholders as of the last month before disclosure of the annual report	0		
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		
Sanyo Electric Co., Ltd.	Overseas legal person	8.72%	73,503,150		
Zhang Sufen	Domestic natural person	1.65%	13,900,000		
Chen Xianlai	Domestic natural person	0.97%	8,165,500		
Lin Zhenming	Foreign natural person	0.80%	6,730,000		
Cao Yifan	Domestic natural person	0.62%	5,192,600		
Li Xiaohua	Domestic natural person	0.52%	4,419,908		
Xue Hong	Domestic natural person	0.43%	3,660,000		
Chen Yong	Domestic natural person	0.35%	2,960,000		
Zhan Hanbin	Domestic natural person	0.32%	2,728,290		

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
Zhang Sufen	13,900,000	RMB denominated ordinary shares
Chen Xianlai	8,165,500	RMB denominated ordinary shares
Lin Zhenming	6,730,000	Domestically listed foreign shares
Cao Yifan	5,192,600	Domestically listed foreign shares
Li Xiaohua	4,419,908	RMB denominated ordinary shares
Xue Hong	3,660,000	Domestically listed foreign shares
Chen Yong	2,960,000	RMB denominated ordinary shares
Zhan Hanbin	2,728,290	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.	

At the end of the report period, the total number of shareholders of the Company was 48,960, including 42,001A-share shareholders and 6,959 B-share shareholders.

2.2 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 Other important Matters

Yes No

§4 Financial Statements

CONSOLIDATION BALANCE SHEET

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

September 30, 2024

Unit: RMB Yuan

Items	30-Sep-2024	1-Jan-2024
Current assets:		
Monetary funds	747, 217, 471. 87	951, 039, 570. 11
Financial assets which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial assets		
Transaction financial assets		
Notes receivable	265, 897, 827. 72	353, 428, 922. 42
Accounts receivable	1, 790, 784, 947. 37	1, 576, 433, 924. 16
Receivables financing	326, 542, 791. 34	303, 585, 218. 53
Accounts paid in advance	190, 960, 228. 66	153, 388, 660. 48
Other receivables	45, 959, 603. 23	41, 396, 223. 27
Interest receivables		
Dividend receivable		14, 495. 00
Inventories	1, 294, 560, 621. 91	1, 638, 139, 479. 14
Contract assets	236, 160, 414. 82	237, 076, 878. 71
Assets held for sale		
Non-current asset due within one year		
Other current assets	21, 950, 019. 03	26, 074, 342. 33
Total current assets	4, 920, 033, 925. 95	5, 280, 563, 219. 15
Non-current assets:		
Finance asset held available for sales		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	498, 378, 709. 84	521, 274, 947. 50
Other Non-current financial assets	162, 060, 970. 19	164, 024, 771. 63
Investment property	117, 416, 747. 80	123, 589, 681. 50
Fixed assets	1, 230, 640, 841. 13	1, 291, 851, 402. 46
Construction in progress	95, 624, 774. 91	114, 801, 351. 21
Right of use assets	23, 238, 971. 36	30, 548, 057. 08
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	208, 934, 061. 04	210, 554, 161. 22
Expense on Research and Development		
Goodwill	286, 402, 171. 93	286, 402, 171. 93
Long-term expenses to be apportioned	6, 136, 344. 16	5, 346, 321. 60
Deferred income tax asset	116, 985, 890. 44	113, 648, 859. 53
Other non-current asset	20, 243, 349. 44	20, 243, 349. 44
Total non-current asset	2, 766, 062, 832. 24	2, 882, 285, 075. 10
Total assets	7, 686, 096, 758. 19	8, 162, 848, 294. 25
Current liabilities:		

Short-term loans	297,960,954.73	262,287,784.38
Financial liabilities which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liabilities		
Transaction financial liabilities		
Notes payable	576,353,233.30	670,720,999.48
Accounts payable	1,741,669,925.38	1,655,835,363.01
Accounts received in advance		
Contract liabilities	517,352,870.29	787,685,294.53
Wage payable	116,552,114.95	149,497,113.46
Taxes payable	23,619,935.79	22,216,492.26
Other accounts payable	163,624,696.34	278,804,152.17
Interest payable		
Dividend payable	533,156.00	533,156.00
Liabilities held for sale		
Non-current liabilities due within one year	158,860,023.21	150,645,347.64
Other current liabilities	129,035,385.52	203,315,864.43
Total current liabilities	3,725,029,139.51	4,181,008,411.36
Non-current liabilities:		
Long-term loans	597,900,000.00	679,700,000.00
Bonds payable		
Preferred stock		
Perpetual bond		
Lease liability	21,638,639.42	24,134,986.97
Long-term account payable	11,940,599.75	10,331,937.30
Long-term wage payable		
Special Payable		
Anticipation liabilities	2,761,821.54	4,544,802.88
Deferred income	96,257,719.04	98,274,267.80
Deferred income tax liabilities	55,927,685.95	60,811,462.07
Other non-current liabilities		
Total non-current liabilities	786,426,465.70	877,797,457.02
Total liabilities	4,511,455,605.21	5,058,805,868.38
Shareholders' equity		
Share capital	843,212,507.00	843,212,507.00
Other equity instruments		
Preferred stock		
Perpetual bond		
Capital public reserve	717,097,098.38	717,097,098.38
Less: Treasury stock		
Other comprehensive income	2,208,669.73	2,208,669.73
Special preparation	1,733,832.12	449,374.96
Surplus public reserve	888,012,501.22	867,159,439.34
Generic risk reserve		
Retained profit	665,811,717.10	617,386,488.34
Total owner's equity attributable to parent company	3,118,076,325.55	3,047,513,577.75

Minority interests	56,564,827.43	56,528,848.12
Total owner's equity	3,174,641,152.98	3,104,042,425.87
Total liabilities and shareholder's equity	7,686,096,758.19	8,162,848,294.25

Legal Representative: Ji Zhijian

Chief Financial Official: Wang Jinxiu

Person in Charge of Accounting Organization: Wubin

CONSOLIDATION INCOME STATEMENT

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

January - September, 2024

Unit: RMB Yuan

Items	January-September, 2024	January- September, 2023
I. Total sales	3,714,576,184.29	3,602,108,233.69
II. Total operating cost	3,619,395,880.14	3,500,188,858.95
Including: Operating cost	3,083,066,536.66	2,992,350,493.45
Taxes and associate charges	25,301,740.22	25,820,709.54
Selling and distribution expenses	177,733,416.52	168,639,007.67
Administrative expenses	192,041,104.19	172,345,836.79
R&D expenses	122,466,256.78	115,096,900.39
Financial expense	18,786,825.77	25,935,911.11
Including: interest expense	26,197,636.85	29,152,253.80
interest income	7,366,985.80	8,078,792.66
Add: Other income	22,721,435.20	2,206,719.66
Gain/(loss) from investment	21,039,521.01	3,666,199.84
Including: income from investment on affiliated enterprise and jointly enterprise	16,051,027.33	-3,158,300.72
Gain/(loss) from change in fair value (loss as “-“)	-1,963,801.44	10,364,507.60
Credit impairment loss (loss as “-“)	-25,467,136.16	-42,792,710.31
Assets impairment loss (loss as “-“)	-916,551.56	2,110,878.83
Gain/(loss) from asset disposal (loss as “-“)	9,109,374.48	1,002,383.35
III. Operating profit	119,703,145.68	78,477,353.71
Add: non-business income	7,965,638.73	13,080,515.09
Less: non-business expense	8,104,547.75	3,204,263.53
IV. Total profit	119,564,236.66	88,353,605.27
Less: Income tax	22,084,391.48	12,568,374.96
V. Net profit	97,479,845.18	75,785,230.31
(I) Net profit from continuous operation	97,479,845.18	75,785,230.31
(II) Net profit from discontinuing operation		
Net profit attributable to parent company	94,574,665.85	71,883,527.84
Minority shareholders’ gains and losses	2,905,179.33	3,901,702.47
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. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		

5. Foreign-currency financial statement translation difference		
6、Others		
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After-tax net amount of other comprehensive incomes attributable to minority shareholders		
VII Total comprehensive income	97,479,845.18	75,785,230.31
Total comprehensive income attributable to parent company	94,574,665.85	71,883,527.84
Total comprehensive income attributable to minority shareholders	2,905,179.33	3,901,702.47
VIII. Earnings per share		
(I) basic earnings per share	0.11	0.09
(II) diluted earnings per share	0.11	0.09

Legal Representative: Ji Zhijian

Chief Financial Official: Wang Jinxiu

Person in Charge of Accounting Organization: Wubin

CONSOLIDATION CASH FLOW STATEMENT

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

January - September, 2024

Unit: RMB Yuan

Items	January-September, 2024	January - September, 2023
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	2,905,758,529.20	3,229,896,254.25
Write-back of tax received	22,011,582.05	21,889,014.28
Other cash received concerning operating activities	91,745,477.33	78,453,591.90
Subtotal of cash inflow arising from operating activities	3,019,515,588.58	3,330,238,860.43
Cash paid for purchasing commodities and receiving labor service	2,138,541,505.29	2,602,049,135.49
Cash paid to/for staff and workers	584,474,379.93	537,303,228.95
Taxes paid	143,074,236.32	153,454,073.42
Other cash paid concerning operating activities	198,711,697.22	203,703,906.88
Subtotal of cash outflow arising from operating activities	3,064,801,818.76	3,496,510,344.74
Net cash flows arising from operating activities	-45,286,230.18	-166,271,484.31
II. Cash flows arising from investing activities:		
Cash received from recovering investment	34,931,610.00	
Cash received from investment income	8,235,252.15	10,144,138.79
Net cash received from disposal of fixed, intangible and other long-term assets	32,604,598.86	1,493,813.50
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	168,000,000.00	
Subtotal of cash inflow from investing activities	243,771,461.01	11,637,952.29
Cash paid for purchasing fixed, intangible and other long-term assets	57,610,696.26	49,050,141.37
Cash paid for investment		
Net cash paid for achievement of subsidiaries and other business units		12,056,951.02
Other cash paid concerning investing activities	100,000,000.00	
Subtotal of cash outflow from investing activities	157,610,696.26	61,107,092.39
Net cash flows arising from investing activities	86,160,764.75	-49,469,140.10
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	285,663,418.15	355,908,174.90
Cash received from issuing bonds		
Other cash received concerning financing activities	3,500,097.68	6,600,000.00
Subtotal of cash inflow from financing activities	289,163,515.83	362,508,174.90
Cash paid for settling debts	292,575,097.77	266,276,141.98
Cash paid for dividend and profit distributing or interest paying	50,908,684.76	32,167,304.24
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash paid concerning financing activities	58,758,250.92	38,899,306.16
Subtotal of cash outflow from financing activities	402,242,033.45	337,342,752.38
Net cash flows arising from financing activities	-113,078,517.62	25,165,422.52
IV. Influence on cash due to fluctuation in exchange rate	3,224,803.13	-900,644.83

V. Net increase of cash and cash equivalents	-68, 979, 179. 92	-191, 475, 846. 72
Add: Balance of cash and cash equivalents at the period -begin	670, 440, 335. 98	921, 663, 803. 17
VI. Balance of cash and cash equivalents at the period- end	601, 461, 156. 06	730, 187, 956. 45

Legal Representative: Ji Zhijian

Chief Financial Official: Wang Jinxiu

Person in Charge of Accounting Organization: Wubin

Board of Directors of Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd.
October 24, 2024