

Stock code: *ST200706

Stock ID:Wazhou B

Announcement No.2017-14

Wafangdian Bearing Company Limited

2016 Annual Report Abstract

1. Important Notes

This abstract was derived from the annual report, the annual report issued on the Shenzhen Stock Exchange web or other web appointed by and CSRC; details please refer to the whole annual report.

The board of directors, board of supervisors, directors, supervisors and the top management guarantee there is no false record, misleading statement or major omission in the report, and take responsibilities for the truth, accuracy and completeness of the contents.

Besides the following directors, all the other directors attended the Board meeting and discussed the report.

Name	Post	Reasons	Assignee name
Tang Yurong	director	Busy work	Fang Bo

Reminder of the qualified auditor's opinions

Inapplicable

Preplan of Profit Distribution for Common Stock or Preplan for Capitalization of the Reserves in the Reporting Period Reviewed by the Board Meeting

The Company's profit distribution preplan upon review and approval of this board meeting: Based on the total 402,600,000 shares, a cash dividend of RMB 0.1 (tax included) will be distributed for every 10 shares held by shareholders.

Preplan of Profit Distribution for Preferred Shares in the Reporting Period Approved by the Resolution of the Board Meeting

Inapplicable

(2) Brief Information of the listed company

(i) Brief Information of the company

	Secretary of the Board	Representative of Stock Affairs
Name	Sun Najuan	Ke Xin
Correspondence address	No. 1 Beigongji Street, Wafangdian City, Liaoning Province, China.	No. 1 Beigongji Street, Wafangdian City, Liaoning Province, China.
Consulting telephone	0411-39116369	0411-39116732
Fax	0411-39116738	0411-39116738
E-mail	zwz2308@126.com	zwz2308@126.com

(ii). Principal Businesses in the Reporting Period

The scope of operation is: manufacture and sales of bearings, bearing components mechanical equipment, bearing maintenance and technology service, automobile parts and fittings and other related products, lease of mechanical equipment and buildings, and inspection of bearings and other related mechanical equipment and measure instruments.

Company has strong manufacturing capability and quality assurance capabilities, extensive services in railway, automobile, metallurgy, mining and other industries and fields.

(iii).Main accounting date**(1) Main accounting date in the near three years**

Are there any retrospective adjustments or restatement of financial information of previous year due to change of accounting policies or correcting of accounting errors?

Yes No

In RMB Yuan

	2016	2015	%	2014
Turnover(RMB)	2,493,926,556.67	2,300,161,296.48	8.42%	3,007,578,581.96
Net profit attributable to shareholders of the listed company(Yuan)	30,872,950.22	-33,380,013.39	-192.49%	-103,902,948.89
Net profit attributable to the shareholders of the listed company after deducting of non-recurring gain/loss(RMB)	-57,771,828.22	-66,446,677.65	-13.06%	-190,819,385.15
Net Cash flow generated by business operation (RMB)	20,520,061.16	-51,528,028.21	-139.82%	70,472,166.86
Basic earnings per share(Yuan/share)	0.08	-0.08	-195.85%	-0.26
Diluted earnings per share(Yuan/share)	0.08	-0.08	-195.85%	-0.26
Net return on equity(%)	2.26%	-2.45%	-192.39%	-7.18%
	End of 2016	End of 2015	%	End of 2014
Total Assets (RMB)	3,553,947,227.09	3,523,969,203.48	0.85%	3,935,819,231.85
Owner's Equity Attributed to Shareholders of Listed Company(RMB)	1,379,337,925.55	1,348,464,975.33	2.29%	1,381,844,988.72

(2)Financial Data Summary based on Quarters

In RMB Yuan

	1 ^s Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Operating revenue	534,404,100.68	591,050,931.30	570,651,513.49	797,820,011.20
Net profit attributable to the Company's shareholders	2,340,344.55	-46,364,530.48	-9,787,613.48	84,684,749.63
Net profit attributable to the Company's shareholders less the non-recurring profit and loss	-1,164,062.96	-53,569,130.53	-13,385,472.61	10,346,837.88

(iv) Shareholders and shares**(1) Information on the top 10 shareholders**

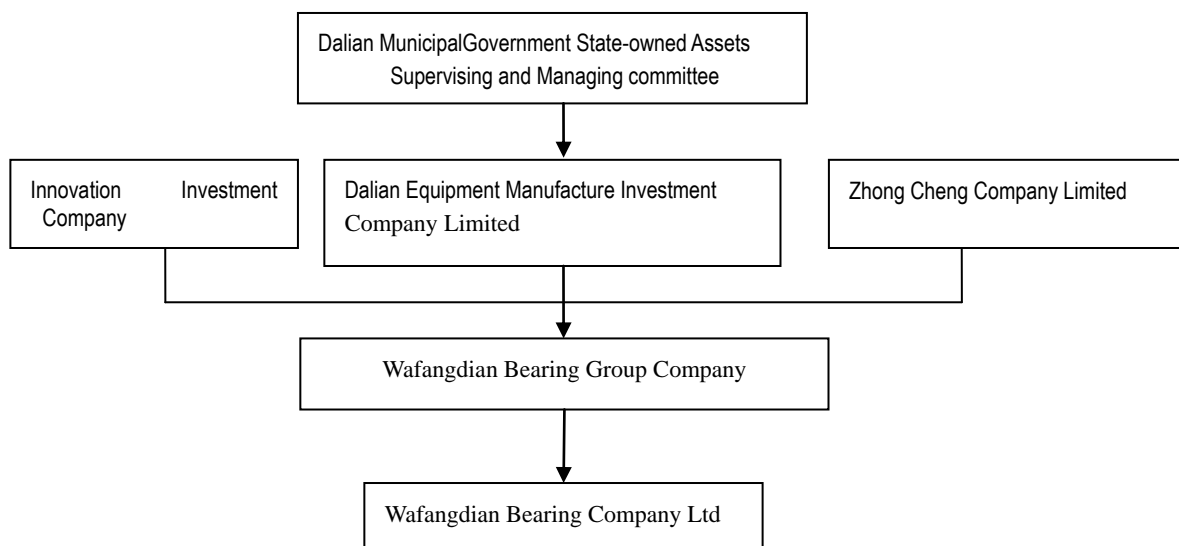
Total common shareholders in the reporting period	7,192	Total common shareholders at the end of the month before the date of disclosing the annual report	7,044	Total preference shareholders with the voting power recovered at the end of the reporting period (if any)	0	Total preference shareholders with the voting power not recovered at the end of the month before the day of disclosing the annual report	0	
Shares held by the shareholders holding over 5% shares or the top ten shareholders								
Shareholder names	Shares held by the top ten shareholders	Shares held by the top ten shareholders (%)	Quantity at the end of the reporting period	the end of the reporting period Increase/decrease in the reporting period	Number of the non-restricted shares	Number of the restricted shares held	Pledging or freezing	
							Status of the shares	Quantity

					held			
Wafangdian Bearing Group Corporation	State-owned shareholder	60.61%	244,000,000		244,000,000			
AKTIEBOLAGET SKF	Foreign shareholder	19.70%	79,300,000				Frozen	79,300,000
Huang Junyue	Domestic shareholder	1.01%	4,050,000					
BOCI SECURITIES LIMITED	Foreign shareholder	0.58%	2,320,000					
Hu Xiaofeng	Foreign shareholder	0.47%	1,879,277					
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Domestic shareholder	0.37%	1,501,640					
Jin Yunhua	Domestic shareholder	0.33%	1,311,256					
CREDIT SUISSE (HONG KONG) LIMITED	Foreign shareholder	0.26%	1,049,915					
MAN,KWAI WING	Foreign private shareholder	0.18%	713,101					
Zhou Junlin	Domestic shareholder	0.14%	545,600					
About the fact that a strategic investor or ordinary corporate became one of the top ten shareholders due to placement of new shares (if any) (Refer to Note 3)	In the report period, the frozen period of the shares purchased by the company's strategic investor AKTIEBOLAGET SKF expired in 1999, and has not dealt with the releasing-procedure in this report period. SKF dealt with the releasing-procedure on February 2017							
Top ten common shareholders conducting securities margin trading								

(2) Total Preference Shareholders and the Shares Held by the Top 10 Preference Shareholders

Inapplicable

(3)Relationship of the property right and controlling between the Company and actual controller:



3. Discussion and analysis

(1) general information in the report peiord

2016, the market competition is more intense, product prices decline, profit margins narrowed. The market competition trend of domestic and international market, the internationalization of domestic competition is becoming more and more serious, bearing products, international and domestic market sales prices continue to decline trend, product gross margin decline, which constitutes a major threat to the enterprise to improve operation quality.

During the reporting period, the company achieved operating income of 2 billion 493 million 926 thousand and 600 yuan, an increase of 8.42% over the previous year, net profit of \$30 million 873 thousand, which belongs to the parent company owner net profit of \$30 million 873 thousand. As of the end of 2016, the company's total assets of 3 billion 554 million yuan, an increase of more than the end of last year, the net assets attributable to shareholders of listed companies was \$1 billion 379 million, compared with the end of last year increased by 2.29%.

(2) Did there exist any significant change in the principal business in the reporting period

No

(3) Products taking over 10% of the Operating Revenue or Operating Profit

	Operating revenue	Operating profit	Gross profit rate	Year-on-year increase /decrease of perating revenue over the previous year	ear-on-year increase/decrease of operating profit over the previous year	Year-on-year increase/decrease of gross profit rate over the previous year
Bearing	2,011,830,831.63	206,731,838.78	10.28%	-1.50%	-1.54%	0.04%

(4) Did there exist seasonal or periodic characteristics necessary to pay special attention to

No.

(5) Note to operating revenue, operation cost or total profit attributable to the Company's common shareholders in the reporting period or composition of significant change in the previous reporting period

Compared with the previous reporting period, net profit for the reporting period rose sharply, mainly increased: other business gross profit increased by 9 million 830 thousand yuan, expenses for the period decreased by 31 million 610 thousand yuan, of which sales expenses fell 13 million 560 thousand yuan, down 11 million 440 thousand yuan management fees, financial expenses decreased 6 million 600 thousand yuan, operating income increased by 68 million 560 thousand yuan. Main items: reduce the profit of main business gross profit decreased 1 million 460 thousand yuan (mainly by the number of product sales and sales prices, impact) impairment losses increased by 34 million 610 thousand; operating expenses increased by 2 million 920 thousand yuan.

(6) Potential suspension and delisting

Inapplicable

(7). Matters concerning the Financial Report

(i) Note to the change in the accounting policy, accounting estimate and accounting method in comparison with the financial report of the previous year

Inapplicable

(ii) Note to the situation that it is necessary to make retrospective restatement to order to correct the serious accounting errors in the reporting period

Inapplicable

(iii) Note to the change of the scope of the consolidated statements in comparison with the previous year.

Inapplicable