

Stock code: 200706

Stock ID: Wazhou B

Announcement No.2017-45

Wafangdian Bearing Company Limited the Q3 abstract for 2017

Chapter I. Important Prompts

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 |
|------------|----------------------|-----------|---------------|
| Wan Shouyi | Independent director | Busy work | Liu Yuping |

The charger of company Mr. Meng Wei, financial controller Ms. Sun Najuan and the charger of accounting department Mr. Wang Ji yuan made the statement: guarantee the truth, completeness of the financial report of the third quarter report.

Chapter II. Main financial dates and shareholder changes

2.1 Main accounting data and financial indicators

Unit: Yuan

| | 2017.09.30 | 2016.12.31 | +/- (%) compared between the end of current period and last year | |
|---|------------------|-------------------|--|-------------------|
| Total assets(RMB) | 3,368,772,988.61 | 3,553,947,227.09 | -5.21% | |
| Owner's Equity Attributed to Shareholders of Listed Company(RMB) | 1,378,331,607.49 | 1,379,337,925.55 | -0.07% | |
| | 2017.07-.09 | +/- (%) to period | 2017.01-.09 | +/- (%) to period |
| Turnover(RMB) | 484,963,005.25 | -15.02% | 1,620,463,580.58 | -4.46% |
| Net profit attributable to shareholders of the listed company(RMB) | 386,046.39 | | 3,019,681.94 | |
| Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss(RMB) | -5,518,330.61 | -59.34% | -7,080,584.92 | -89.71% |
| Net Cash flow generated by business operation(RMB) | -- | -- | -40,977,936.68 | -313.58% |
| Basic earnings per share(Yuan/share) | 0.0010 | | 0.0080 | |
| Diluted earnings per share(Yuan/share) | 0.0010 | | 0.0080 | |
| Net assets yield (%) | 0.03% | 0.77% | 0.22% | 4.29% |

Abnormal profit and loss items

√Applicable □Not applicable

Unit: Yuan

| Abnormal profit and loss items | 2017.01-2017.09 | |
|--|-----------------|--|
| Profits and losses relating to disposal of fixed assets | -10,614.25 | |
| Government grants recorded into profit or loss during current period | 4,890,166.91 | |
| Profits and losses relating to the debt restructure | 1,697,754.73 | |
| Other non-business income and expenditures other than the above | 4,701,345.34 | |
| Less: Influenced amount of income tax | 1,178,385.87 | |
| Total | 10,100,266.86 | |

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering their Securities to the Public–Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering their Securities to the Public–Non-recurring Gains and Losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

□Applicable √Inapplicable

2.2. The statement of total number of shareholders and the first 10 shareholders of current shares in the end of the report period

Unit: Share

| Total number of shareholder at the end of report period | | 6875 | | | | |
|--|---|-----------|-------------------|-------------------------|--------------------------|------------|
| The situation of the first 10 shareholders of current shares | | | | | | |
| Name | Nature | Ratio (%) | Total shares held | Non-current shares held | Impawnd or Frozen Shares | |
| | | | | | Status | Amount |
| Wafangdian Bearing Group Corporation | State-owned shareholder | 60.61% | 244,000,000 | 244,000,000 | | |
| AKTIEBOLAGET SKF | Foreign shareholder | 19.70% | 79,300,000 | | | |
| BOCI SECURITIES LIMITED | Foreign shareholder | 1.37% | 5,516,953 | | | |
| Huang Junyue | Domestic shareholder | 1.18% | 4,768,300 | | | |
| Hu Xiaofeng | Domestic shareholder | 0.47% | 1,879,277 | | | |
| Jin Yunhua | Domestic shareholder | 0.33% | 1,311,256 | | | |
| GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED | Foreign shareholder | 0.29% | 1,184,900 | | | |
| Zhou Jie | Domestic shareholder | 0.25% | 1,002,100 | | | |
| MAN,KWAI WING文贵荣 | Foreign private shareholder | 0.18% | 713,101 | | | |
| Ma Yuancheng | Domestic shareholder | 0.15% | 596,966 | | | |
| The situation of the first 10 shareholders of current shares | | | | | | |
| Name | Current shares held at end of year (Note 4) | | | Category of Shares | | |
| | | | | Categories | Amount | |
| AKTIEBOLAGET SKF | 79,300,000 | | | B | | 79,300,000 |
| BOCI SECURITIES LIMITED | 5,516,953 | | | B | | 5,516,953 |
| Huang Junyue | 4,768,300 | | | B | | 4,768,300 |
| Hu Xiaofeng | 1,879,277 | | | B | | 1,879,277 |
| Jin Yunhua | 1,311,256 | | | B | | 1,311,256 |

| | | | |
|--|---|---|-----------|
| GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED | 1,184,900 | B | 1,184,900 |
| Zhou Jie | 1,002,100 | B | 1,049,915 |
| MAN,KWAI WING 文贵荣 | 713,101 | B | 713,101 |
| Ma Yuancheng | 596,966 | B | 596,966 |
| Zhou Junlin | 547,801 | B | 547,801 |
| Notes to relationship or "action in concert" among the top ten shareholders. | There was no relationship and consistent activities between the first big shareholder and other shareholders or the top ten common stock holders; The relationship among other shareholders, top ten circulation shareholders, top ten circulation shareholders and other shareholders was not clear. | | |

Whether the top ten shareholders with common stock and top ten shareholders with unlimited common stock agree with the company to buy back the stock or not?

Applicable Inapplicable

Chart of preferred stock shareholders and the first tenth shareholders holding shares

Applicable Inapplicable

Chapter III. Important Items

3.1 The great changes in company's key financial statement, financial indicators, and the reasons

Applicable Not applicable

Unite:0000Yuan

| No. | Items | Beginning period | End of year | +/- (%) to period | Explanation |
|-----|-----------------------------|------------------|-------------|-------------------|---|
| 1 | Monetary fund | 11,228.4 | 18,441.6 | -39.1% | The main reason is that the payment of the bill to the supplier is about 171.41 million yuan, resulting in net cash flow of -40.98 million yuan, so the money funds are reduced from the beginning of the year |
| 2 | Bills receivable | 18,827.3 | 10,918.1 | 72.4% | The balance of the bill is more than the bill payment to the supplier, so the balance of the bill is increased at the beginning of the year |
| 3 | Accounts payable in advance | 2,520.8 | 1,608.5 | 56.7% | Mainly based on the market changes, the advance of material mills increased |
| 4 | Other accounts receivable | 2,587.7 | 1,970.6 | 31.3% | Mainly caused by prepaid expenses increase from the beginning. |
| 5 | Inventory | 75,813.1 | 84,242.9 | -10.0% | The main reason is that the initial funding of finished products has been reduced by 87.17million, the production fund has been reduced by 2 million at the beginning of the period, and the reserve fund has increased by 4.52million at the beginning of the period, and the low value consumables have increased by 360,000 at the beginning of the period |
| 6 | Other current assets | 491.5 | 720.3 | -31.8% | Mainly because the branch company's pending deduction entry tax is less than the initial decrease. |
| 7 | Long-term prepaid expense | 73.1 | 52.1 | 40.2% | Mainly increase spherical decorate 279000 modernize of the company. |
| 8 | Note payable | 26,656.1 | 42,551.5 | -37.4% | The main issue is the bill issued to the supplier and the repayment of the notes payable due to the discount. |
| 9 | Tax payable | 737.3 | 1,914.1 | -61.5% | It is mainly the end value added tax and the tax attached, the sale of the land value added tax is decreasing from |

| | | | | | |
|----|---|---------------|-------------|-------------------|--|
| | | | | | the beginning. |
| 10 | Interest payable | - | 92.7 | -100.0% | This is mainly due to a reduction in interest on borrowing. |
| 11 | Non-current liabilities due within 1 year | 5,000.0 | 9,000.0 | -44.4% | At the beginning of this period, 90 million borrowings have been repaid, the additional 50 million yuan is a long-term loan due in a year. |
| 12 | Long-term loan | - | 5,000.0 | -100.0% | This period the long-term loan of 50 million yuan due in one year will be reclassified into a non-current liability in a year. |
| | Items | 2017.1.1-9.30 | Last period | +/- (%) to period | Explanation |
| 13 | Tax & surcharges for main operations | 1,458.84 | 831.33 | 75.5% | It is mainly affected by the change of the camp, the current tax and the increase of the year-on-year growth accounting inconsistencies. |
| 14 | Loss of impairment of assets | -1,252.37 | -575.57 | 117.6% | It is mainly due to the recovery of the commodity value of this period, the sale of overstocked goods, etc., to return to the inventory price to be caused by the price. |
| 15 | Financial expense | 3,057.55 | 2,082.91 | 46.8% | Mainly because working capital loan interest year-on-year increase of 3.65 million yuan, discount rates rose 2.23 million, year-on-year increase of 1.83 million exchange loss, exchange earnings fell 5.62 million, long-term borrowing interest year-on-year decline of 3.65 million." |
| 16 | Other income | 14.70 | 0.00 | | According to the financial information [2017] no.15, government subsidies related to daily activities will be counted into other benefits in accordance with the economic business substance. |
| 17 | Non-operating revenue | 1,155.20 | 1,883.86 | -38.7% | This is mainly due to the decrease in the current non-current asset disposal, government subsidies and debt restructuring. |
| 18 | Non-operating cost | 27.33 | 200.70 | -86.4% | The main issue is that there is no loss due to debt restructuring in this period. |
| 19 | Net profit | 301.97 | -5,381.18 | -105.6% | Mainly, the operation quality is stabilizing, the cost control is strengthened, the management expenses and sales expenses are obviously reduced, and the profitability of the products is promoted. |
| 20 | Other cash received relating to operating activities | 545.9 | 836.6 | -34.7% | Mainly because the reduction in government subsidies received during this period. |
| 21 | Tax payments | 6,516.9 | 3,763.4 | 73.2% | The main payment of VAT and its attached tax, the sale of land value added tax increases. |
| 22 | Cash received from investment incomes | - | 24.0 | -100.0% | Mainly because this period received 240,000 dividends from Shanghai Aaimuyi Electromechanical Equipment Chain Company Limited in 2014. |
| 23 | Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 492.2 | 1,000.0 | -50.8% | This period is mainly for the sale of the Harbin real estate sales of 486.8 million yuan, and the same period 10 million is received the asset payment to the group. |
| 24 | Cash paid to acquire fixed assets, intangible assets and other long-term assets | 827.7 | 4,909.9 | -83.1% | Mainly because the construction of payment decline compared with last period. |

| | | | | | |
|----|--|----------|----------|---------|--|
| 25 | Other proceeds relating to financing activities | 49,186.4 | 33,884.4 | 45.2% | Due to the impact of financing,resulting in the other cash received that related to financing activities has increased over the same period. |
| 26 | Cash paid for other financing activities | 44,824.8 | 30,000.0 | 49.4% | Due to the impact of financing,resulting in the other cash payment related to financing activities has increased over the same period. |
| 27 | Effects of foreign exchange rate changes on cash | -125.6 | 185.5 | -167.7% | It's mostly about dollar exchange rate movements. |

3.2 The situation of major items in progress and the analysis explanation on its effect and resolved proposal.

None

3.3 The fulfillment of the items that the company, shareholder with more than 5% shares and the actual controller etc. during the report period, or before it.

Applicable Not applicable

3.4 Operation forecast for year 2017

Applicable Not applicable

3.5 Security investment information

Statement of holding other listing company equity

Applicable Not applicable

3.6 Statement of holding other listing company equity

Applicable Not applicable

3.7 Reception of investigations,communications,or interviews in the report period

| Time/date | Place | Way | Type of visitors | Visitors | Index catalog |
|--------------|--------|-------------------------|------------------|------------------|--|
| July 11,2017 | Office | Telephone communication | Private investor | Private investor | Understand the company's production and operation status |

3.8 Violation of guaranty

Applicable Not applicable

3.9 Controlling shareholders and their related parties' non-operational appropriation of funds for listed companies

Applicable Not applicable

3.10 social responsibility of targeted poverty alleviation