

Stock Code: 000706

Notice No.: 2022-08

Short Form of the Stock: Wazhou B

Wafangdian Bearing Company Limited

The First Quarterly Report of 2022

The Company and whole members of the Board guarantee that the information disclosed is true, accurate and complete and there are no fictitious records, misleading statements or material omissions carried in the Report.

Important Note:

1. Board of Directors and the Supervisory Committee of Wafangdian Bearing Company Limited (hereinafter referred to as the Company) and its directors, supervisors and senior executives should guarantee the reality, accuracy and completion of the quarterly report, there are no any fictitious statements, misleading statements or important omissions carried in this report, and shall take legal responsibilities, individual and/or joint.
2. Person in charge of the Company, head of accounting and person in charge of accounting organ (accounting officer) hereby confirm that the financial information of this Quarterly Report is authentic, accurate and complete.
3. The first quarterly report audited or not

Yes No

I. Main financial data

(i) Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	516,856,921.09	413,507,921.87	24.99%
Net profit attributable to shareholders of the listed company (RMB)	-31,201,728.45	2,486,349.89	-1,354.92%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-36,234,334.17	2,242,469.73	-1,715.82%
Net cash flow arising from operating activities (RMB)	-112,415,257.84	-27,699,435.57	-305.84%
Basic earnings per share (RMB/Share)	-0.0775	0.0100	-875.00%
Diluted earnings per share	-0.0775	0.0100	-875.00%

(RMB/Share)			
Weighted average ROE	-5.26%	0.30%	-5.56%
	End of this period	End of last period	Changes of this period-end over same period-end of last year
Total assets (RMB)	3,334,414,764.85	3,220,126,105.01	3.55%
Owners' equity attributable to shareholders of listed company (RMB)	577,753,865.95	608,267,282.47	-5.02%

(ii) Items of non-recurring gains and losses

√ Applicable □ Not applicable

Unit: RMB/CNY

Item	Current amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	847,498.11	
Governmental subsidy calculated into current gains and losses(while closely related with the normal business of the Company, the government subsidy that accord with the provision of national policies and are continuously enjoyed in line with a certain standard quota or quantity are excluded)	1,303,954.41	
Gain or loss on debt restructuring	1,212,992.08	
Gains/losses of fair value changes arising from holding of the trading financial asset, trading financial liability and investment earnings obtained from disposing the trading financial asset, trading financial liability, and financial assets available for sale, except for the effective hedging business related to normal operation of the Company	-30,817.03	
Other non-operating income and expenses other than the above	2,574,204.11	
Less: impact on income tax	875,225.96	
Total	5,032,605.72	--

Details of other gains/losses items that meet the definition of non-recurring gains/losses:

□ Applicable √ Not applicable

There are no other gains/losses items that meet the definition of non-recurring gains/losses in the Company.

Explain the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss

Applicable Not applicable

There are no items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss

(iii) Particulars about material changes in items of main accounting statement and financial index and explanations of reasons

Applicable Not applicable

Item	Amount at period-end	Amount at period-begin	Increase/decrease ratio	Reason for change
Financing of receivables	48,735,945.94	28,115,340.20	73.3%	Rise in the bank acceptance draft received
Other current assets	12,959,121.50	5,627,951.08	130.3%	Increase in VAT to be deducted
Construction in progress	37,800,665.82	25,929,699.29	45.8%	Increase equipment investment
Employee compensation payable	14,510,177.28	54,396,857.78	-73.3%	Actual payout of prior year's accrued performance salary
Item	Current period	Same period of last year	Increase/decrease ratio	Reason for change
Operating income	516,856,921.09	413,507,921.87	25.0%	Market shares improved
Operating costs	459,307,688.7	320,309,529.36	43.4%	Market shares improved
Financial expenses	10,960,564.08	6,730,457.27	62.9%	Increase in loan interests
Gain on changes in fair value	-30,817.03	13,867.66	-322.2%	Decline of the share market price
Credit impairment loss	38,891.11	3,756.14	935.4%	Recovery of individually account receivable that impaired
Asset impairment loss	194,436.80	538,655.19	-63.9%	Reversal of the provision for decline in value of inventory
Asset disposal income	848,457.68	-1,007,067.07	-184.3%	Increase in income from disposal of waste equipment
Non-operating income	2,597,979.12	58,264.72	4358.9%	Increase in penalty income
Non-operating expenses	46,379.19	861,217.84	-94.6%	Decrease in loss from fixed assets scrapping

II. Shareholders

(i) Total number of common shareholders and preference shareholders with voting rights recovered and top ten shareholders

Unit: Share

Total number of common shareholders at the end of report period	5,596	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0
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Top ten shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of non-tradable shares held	Information of shares pledged, tagged or frozen	
					State of share	Amount
Wafangdian Bearing Group Corp., Ltd.	State-owned legal person	60.61%	244,000,000	244,000,000		
AKTIEBOLA GET SKF	Foreign legal person	19.70%	79,300,000			
China Merchants Securities Hong Kong Limited	State-owned legal person	1.99%	8,020,391			
Huang Junyue	Domestic natural person	1.76%	7,088,268			
Hu Xiaofeng	Domestic natural person	0.47%	1,879,277			
BOCI SECURITIES LIMITED	Foreign legal person	0.33%	1,310,000			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.26%	1,038,511			
Meng Qingliang	Domestic natural person	0.22%	898,348			
Jin Yunhua	Domestic natural person	0.19%	750,000			
MAN,KWAI WING	Foreign natural person	0.18%	713,101			
Top ten shareholders with tradable shares held						
Shareholder's name	Amount of listed shares held	Type of shares				
		Type	Amount			
AKTIEBOLAGET SKF	79,300,000	Domestically listed shares	79,300,000			
China Merchants Securities Hong	8,020,391	Domestically listed shares	8,020,391			

Kong Limited		shares	
Huang Junyue	7,088,268	Domestically listed foreign shares	7,088,268
Hu Xiaofeng	1,879,277	Domestically listed foreign shares	1,879,277
BOCI SECURITIES LIMITED	1,310,000	Domestically listed foreign shares	1,310,000
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	1,038,511	Domestically listed foreign shares	1,038,511
Meng Qingliang	898,348	Domestically listed foreign shares	898,348
Jin Yunhua	750,000	Domestically listed foreign shares	750,000
MAN,KWAI WING	713,101	Domestically listed foreign shares	713,101
Jiang Guangsen	687,900	Domestically listed foreign shares	687,900
Explanation on associated relationship among the aforesaid shareholders	Among the top ten shareholders, there is no affiliation or concerted action between the first majority shareholder and other shareholders or the top ten outstanding shareholders; Affiliation or concerted action among other shareholders, among the top ten outstanding shareholders, and between the top ten outstanding shareholders and other shareholders are not available.		

(ii) Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

III. Other important matters

Applicable Not applicable

IV. Quarterly financial statements

(i) Financial statement

1. Consolidate Balance Sheet

Prepared by Wafangdian Bearing Company Limited

Unit: RMB/CNY

Item	Ending balance	Opening balance
Current assets:		
Monetary fund	369,794,825.49	286,476,701.69
Settlement provisions		
Capital lent		
Trading financial assets	291,220.90	322,037.93
Derivative financial assets		
Note receivable	464,383,153.23	507,971,133.69
Account receivable	1,008,416,279.50	999,454,308.40
Receivable financing	48,735,945.94	28,115,340.20
Account paid in advance	44,153,396.96	46,305,700.50
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	11,536,252.52	9,531,860.12
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventory	750,487,814.46	710,611,964.20
Contract assets	3,096,344.44	3,763,781.55
Assets held for sale		
Non-current asset due within one year		
Other current assets	19,406,436.24	5,627,951.08
Total current assets	2,720,301,669.68	2,598,180,779.36
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument	11,926,856.64	11,926,856.64
Other non-current financial assets		
Investment real estate	67,857,478.14	68,862,311.38
Fixed assets	420,458,440.45	438,220,714.18
Construction in progress	37,800,665.82	25,929,699.29
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	75,907,787.42	76,812,955.92
Expense on research and development		
Goodwill		
Long-term expenses to be apportioned	161,866.70	192,788.24

Deferred income tax asset		
Other non-current assets		
Total non-current asset	614,113,095.17	621,945,325.65
Total assets	3,334,414,764.85	3,220,126,105.01
Current liabilities:		
Short-term loans	832,000,000.00	677,000,000.00
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	368,494,298.14	306,258,189.60
Account payable	1,213,368,828.44	1,248,850,328.84
Accounts received in advance	0.00	0.00
Contract liabilities	36,346,116.54	38,426,632.29
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	14,510,177.28	54,396,857.78
Taxes payable	12,518,337.19	11,585,889.46
Other account payable	178,822,625.13	173,782,184.85
Including: Interest payable	0.00	0.00
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities	4,619,324.30	4,995,462.19
Total current liabilities	2,660,679,707.02	2,515,295,545.01
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	344,974.84	344,974.84
Long-term wages payable		
Accrual liability	42,008,955.33	41,401,450.14
Deferred income	52,944,025.26	54,133,616.10
Deferred income tax liabilities	683,236.45	683,236.45
Other non-current liabilities		
Total non-current liabilities	95,981,191.88	96,563,277.53

Total liabilities	2,756,660,898.90	2,611,858,822.54
Owner's equity:		
Share capital	402,600,000.00	402,600,000.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	485,691,050.47	485,691,050.47
Less: Treasury shares		
Other comprehensive income		
Reasonable reserve	688,311.93	
Surplus public reserve	136,770,391.01	136,770,391.01
Provision of general risk		
Retained profit	-447,995,887.46	-416,794,159.01
Total owner's equity attributable to parent company	577,753,865.95	608,267,282.47
Minority interests		
Total owner's equity	577,753,865.95	608,267,282.47
Total liabilities and owner's equity	3,334,414,764.85	3,220,126,105.01

Legal Representative: Liu Jun

Person in charge of accounting works: Sun Najuan

Person in charge of accounting institute: Zhang Yajing

2. Consolidated Profit Statement

Unit: RMB/CNY

Item	Current period	Last period
I. Total operating income	516,856,921.09	413,507,921.87
Including: Operating income	516,856,921.09	413,507,921.87
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	554,178,164.52	411,850,901.15
Including: Operating cost	459,307,688.70	320,309,529.36
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	3,153,559.66	4,447,119.85
Sales expense	30,842,565.48	27,995,108.38
Administrative expense	22,857,415.49	20,929,079.57

R&D expense	27,056,371.11	31,439,606.72
Financial expenses	10,960,564.08	6,730,457.27
Including: Interest expenses		
Interest income		
Add: other income	1,303,954.41	1,212,169.22
Investment income (Loss is listed with “-”)	1,212,992.08	870,901.15
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)	-30,817.03	13,867.66
Loss of credit impairment (Loss is listed with “-”)	38,891.11	3,756.14
Losses of devaluation of asset (Loss is listed with “-”)	194,436.80	538,655.19
Income from assets disposal (Loss is listed with “-”)	848,457.68	-1,007,067.07
III. Operating profit (Loss is listed with “-”)	-33,753,328.38	3,289,303.01
Add: Non-operating income	2,597,979.12	58,264.72
Less: Non-operating expense	46,379.19	861,217.84
IV. Total profit (Loss is listed with “-”)	-31,201,728.45	2,486,349.89
Less: Income tax expense	0.00	0.00
V. Net profit (Net loss is listed with “-”)	-31,201,728.45	2,486,349.89
(i) Classify by business continuity		
1. Net profit from continuing operations (net loss listed with “-”)	-31,201,728.45	2,486,349.89
2. Net profit from termination of operations (net loss listed with “-”)		
(ii) Classify by ownership		
1. Net profit attributable to owner’s of parent company	-31,201,728.45	2,486,349.89
2. Minority shareholders’ gains and losses		
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes of the defined benefit plans that re-measured		

2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	-31,201,728.45	2,486,349.89
Total comprehensive income attributable to owners of parent Company	-31,201,728.45	2,486,349.89
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(i) Basic earnings per share	-0.0775	0.0100
(ii) Diluted earnings per share	-0.0775	0.0100

Enterprise combine under the same control in the Period, the combined party realized net profit of 0.00 Yuan before combination, and realized 0.00 Yuan at last period for combined party.

Legal Representative: Liu Jun

Person in charge of accounting works: Sun Najuan

Person in charge of accounting institute: Zhang Yajing

3. Consolidated Cash Flow Statement

Unit: RMB/CNY

Item	Current period	Last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	192,730,297.96	268,684,482.92

Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	1,262,463.01	0.00
Other cash received concerning operating activities	16,296,874.82	13,269,838.53
Subtotal of cash inflow arising from operating activities	210,289,635.79	281,954,321.45
Cash paid for purchasing commodities and receiving labor service	166,960,415.32	132,159,217.33
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	116,252,789.39	110,389,374.00
Taxes paid	11,722,385.77	14,556,590.53
Other cash paid concerning operating activities	27,769,303.15	52,548,575.16
Subtotal of cash outflow arising from operating activities	322,704,893.63	309,653,757.02
Net cash flows arising from operating activities	-112,415,257.84	-27,699,435.57
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		18,821.12
Net cash received from disposal	981,190.00	692,187.72

of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	981,190.00	711,008.84
Cash paid for purchasing fixed, intangible and other long-term assets	1,752,828.15	266,026.51
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	1,752,828.15	266,026.51
Net cash flows arising from investing activities	-771,638.15	444,982.33
III. Cash flows arising from financing activities		
Cash received from absorbing investment	0.00	0.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	300,000,000.00	99,000,000.00
Other cash received concerning financing activities	73,348,314.77	0.00
Subtotal of cash inflow from financing activities	373,348,314.77	99,000,000.00
Cash paid for settling debts	145,000,000.00	71,000,000.00
Cash paid for dividend and profit distributing or interest paying	7,825,440.39	7,255,081.89
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	82,000,000.00	0.00
Subtotal of cash outflow from financing activities	234,825,440.39	78,255,081.89
Net cash flows arising from financing activities	138,522,874.38	20,744,918.11
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-687,990.74	487,647.36
V. Net increase of cash and cash equivalents	24,647,987.65	-6,021,887.77
Add: Balance of cash and cash equivalents at the period-begin	209,847,896.42	163,728,799.97
VI. Balance of cash and cash equivalents at the period-end	234,495,884.07	157,706,912.20

(ii) Audit report

Whether the 1st quarterly report has been audited or not

Yes No

The 1st quarterly report of the Company has not been audited.

**Board of Directors of
Wafangdian Bearing Company Limited**

22 April 2022