Wafangdian Bearing Co., Ltd. Additional cases on the Routine Related Transaction for Second Half of 2016

The Company and whole members of the Board hereby ensure that the Notice is factual, accurate and complete without any false record, misleading statements or important omissions.

I. Additional cases on the company's 2016 annual daily related transactions

By the deliberation and approval of the 9th meeting of the company's 6th session of the board of directors and 2015 annual general meeting, it is predicted that the total amount of the company's related transactions on all commodity sales and purchases associated with the related parties in 2016 is 1,771,050,000 Yuan. Up to the end of June, the occurred amount reaches 568,770,000 Yuan.

In order to ensure the rationality and accuracy of the anticipated amount of related transactions, the first meeting of the company's 7th session of board of director has appended the amount of the company's daily related transactions in the second half of 2016.

II Related transactions of the additional parts

(i) Basic information of related transactions

Check the details of the parts the company has re-estimated in the table below, other unchanged parts will not be disclosed again, see details on the company's announcement on April 26, 2016.

Details about the directors abstaining from voting are in the table below:

Additional parts of daily relate transactions in the second half of 2016 that need directors to abstain from voting

Director	Voting or not
Meng Wei	**Suffrage avoiding**
Li Shi	**Suffrage avoiding**
Chen Jiajun	**Suffrage avoiding**
Sun Maolin	**Suffrage avoiding**
Zhang Xinghai	**Suffrage avoiding**
Sun Najuan	**Suffrage avoiding**

In addition to the matters that above directors don't participate and need to abstain from voting, other directors vote yes for matters no need to abstain, there is neither negative vote nor abstention vote.

This proposal still needs to be submitted to the company's 1st extraordinary general meeting of 2016 for deliberation and approval. At that time, the company's related shareholders will abstain from voting for the related matters.

(ii) Ratification about excess parts of daily related transactions of 2016 and additional amount of daily related transactions in the next half year

(1) Purchase from the related parties

In RMB

Item No.	Related person	Further divide according to products or labor services	Approved amount	Accrual in the first half of 2016	2Anticipated amount in the second half of 2016	Total anticipated amount in 2016 after adjustment	Overfulfil / Superaddition reason analysis
1	Wafangdian Bearing Group Equipment Technology Engineering Co., Ltd.	Purchasing commodities (equipments and services)	3,000	1261	5,239	6,500	New business
2	Wafangdian Bearing Group Precision Roller Co., Ltd.	Purchasing commodities (components and accessories)	0	0	7,000	7,000	New business
3	Wafangdian Bearing Group Precision Holder Co., Ltd.	Purchasing commodities (components and accessories)	0	0	2,200	2,200	New business
4	Kugel- und Rollenlagerwerk Leipzig GmbH	Purchasing commodities (petrochemical industry)	0	0	500	500	New business, agent for import and export business
5	Wafangdian Bearing Group (Automobile bearing branch company)	Purchasing commodities (goods)	0	0	9,500	9,500	Automobile bearing business strippinged from WBC
Total			3000	1,261	24,439	25,700	

(2) Promote to the related parties

In RMB

Item No.	Related person	Further divide according to products or labor services	Approved amount	Accrual in the first half of 2016	Anticipated amount in the second half of 2016	Total anticipated amount in 2016 after adjustment	Overfulfil / Superaddition reason analysis
6	Wafangdian Bearing Precision Steel Ball Manufacturing Co., Ltd.	Promoting products (goods and materials)	70	76	104	180	Needed by production and operation
7	Wafangdian Bearing Group Precision Slewing Bearing Co., Ltd.	Promoting products (goods and materials)	200	31	300	500	Increase the purchase of oils

8	Wafangdian Bearing Group Precision Drive Bearing Co., Ltd.	Providing services	0	44	0	44	Change to settling accounts by quenching pieces since April
9	Wafangdian Bearing Group Equipment Technology Engineering Co., Ltd.	Promoting products equipments)	0	0	2,000	2,000	New business
10		Promoting products (products and services)	0	0	2,000	2,000	
11		Promoting products (goods and materials)	70	76	104	180	
12	Dalian Wafangdian Jinzhou Machinery Co., Ltd.	Promoting products (goods and materials)	150	749	351	1,100	Increase the purchasing business for steels
13	Wafangdian Bearing Group Premier Automotive Bearing Co., Ltd.	Promoting products	0	378	1,522	1,900	Purchase the import rollers by share
14	Wafangdian Bearing Group Precision Roller Co., Ltd.	Promoting products (goods and materials)	0	0	2,700	2,700	Newly established subsidiary of the group
15		Providing services	0	0	500	500	
16	Wafangdian Bearing Group (Automobile bearing branch company)	Promoting products (auxiliary materials)	0	0	700	700	Business of the group's newly established branch company
17	Wafangdian Bearing Group Precision Holder Co., Ltd.	Promoting products (goods and materials)	0	0	2,400	2,400	Newly established subsidiary of the group
18	Kugel- und Rollenlagerwerk Leipzig GmbH	Promoting products	0	0	2,500	2,500	New business, agent for import and export business
Total			420	1,278	18,577	20,024	

(iii) Introduction of new related parties (Wafangdian Bearing Group subsidiaries)

(1)Wafangdian Bearing Group Precision Rolling Co., Ltd.

Investor: Wafangdian Bearing Group Corp.

Nature of Business: Limited company with sole proprietorship of legal person

The company's business scope: rolling element design, manufacturing and marketing, and house and equipment rental

The company's registered capital: 20 million Yuan

(2)Wafangdian Bearing Group Precision Holder Co., Ltd.

Investor: Wafangdian Bearing Group Corp.

Nature of Business: Limited company with sole proprietorship of legal person

The company's business scope: Holder design, manufacturing and marketing, and house and equipment rental

The company's registered capital: 10 million Yuan, fund by currency subscription

(3) Kugel- und Rollenlagerwerk Leipzig GmbH

Investor: Wafangdian Bearing Group Corp.

Nature of Business: Limited company with sole proprietorship of legal person

The company's business scope: Bearing design, manufacturing and sale

The company's registered capital: Euro 5 million

III Opinions of independent directors

After careful verification in advance, the independent directors have fully got to know the necessity of related transactions between Wafangdian Bearing Company Limited and all related parties in the second half of 2016 and the transaction value. It is considered that the related transactions between the company and related parties are based on the fair and just principles, the transactions are necessary and the price is reasonable. The company adopts various forms like purchasing by invitation to bid, which not only save costs but also avoid damaging the rights and interests of minority shareholders on account of related transactions. The company has submitted sufficient information to independent directors and made a lot of explanation work before the deliberation of this proposal, and has got the independent directors' approval in advance. Independent directors agree the company to add the amount of daily related transactions in the second half of 2016 and think it is reasonable, fair and feasible.

IV Documents available for reference

1. Resolution of the First Meeting of 7th Board of Directors of Wafangdian Bearing Co., Ltd.;
2. Prior approval of independent directors and independent opinions;
3. Other documents required by the Shenzhen Stock Exchange

Hereby notify

Board of Directors of

Wafangdian Bearing Co., Ltd.

26 August 2016