Announcement of debt reconstruction and related trade of Wafangdian Bearing Company Limited

Our company, the whole members of the board of directors and top managements ensured the truth, accuracy, completeness, no false record, misleading statement and fatal omit of the announcement.

I. Overview of debt reconstruction involve related party transactions

i. 2016 fourth interim Board of directors considered the company's daily operations debt restructuring from January 2016 to November. During this period, the company sign “debt restructuring agreement" with Wafangdian Bearing Group Ltd, Dalian boleite Bearing Technology Co. Ltd. And other 270 suppliers, through friendly negotiation, the supplier agrees to make concessions to daliy business debt with them, which lead to debt reconstruction gain with amount of 23.50 million Yuan.

ii. In order to speed up clearing up accounts receivable, recycling of funds, the company has signed "debt restructuring agreement", with ZOOMLION road machinery branch company and other 11 clients through friendly negotiation, the company agree to make a concession to the daily accounts receivable with the them ,which lead to debt reconstruction losses with amount of 1.45 million Yuan.

iii. The company expects December debt restructuring gains about 9.7 million Yuan.

The business above will affect the profit in 2016 with about of 31.75 million Yuan.

iv. Because Wafangdian bearing Group company and other 5 suppliers are the shareholder or the wholly-owned subsidiaries or sharing company of WBGC, , thus this trade composes related transaction

v.This trade has been reviewed and unanimously passed by the 2016 fourth interim Board of directors. The related director Mr.Meng Wei, Mr.Zhang Xinghai,Mr.Li Shi ,Mr.Chen Jiajun,Mr.Sun Maolin,Mrs Sun Najuan avoid from the related issues, and the unrelated director, discussed and unanimously passed the proposal. The independent directors show independent opinion on this proposal.

vi. According to the Shenzhen Stock Exchange "Listing Rules" of Article 9.3 (five): "trading profits of listed companies accounted for the most recent fiscal year audited more than 50% of the net profit, the provisions and the absolute amount of more than 5 million Yuan, the" debt restructuring "which should be submitted to the general meeting of the deal" but do not constitute a major asset restructuring "management measures" provisions of a major reorganization of listed companies.

II. Introduction on the object

The objections are the daily account receivable and account payable between WBC and the clients and suppliers.

III.The effect to WBC

The trade is benefit to company operation, which will not damages minority shareholder’s interests.

IV.independent opinion

The company had explained the agreement content to independent directors, each of them agree with the proposal and sign the independent opinion paper.

V.The documents for future reference

1. Wafangdian Bearing Co., Ltd Resolutions of Board of Directors
2. The independent director independent opinion
3. Wafangdian Bearing Co., Ltd Resolutions of the Board of Supervisors.
4. Debt reconstruction agreement.
5. Other document required by SZSE

Specially Announcement

Board of director of Wa Fangdian bearing Co., Ltd
December 13, 2016