Wafangdian Bearing Company Limited
Progress of Related Transactions

The Company, all the members of the Board of Directors, supervisors and top management hereby guarantee the truth, accuracy and completeness of the information disclosure, no any false records, misleading statements and major missing contents.

The Company holding a Third Temporary Meeting of the Board for year of 2013 on 5 August 2013, for deliberating and approving the proposal of Equity (51%) Acquisition of Dalian SKF Wazhou Bearing Co., Ltd. and Terminate the Contract for Sino-Foreign Joint Venture, and released a Notice of Investments Abroad (found more in the notices released on appointed newspaper and website Juchao Website (http://www.cninfo.com.cn) dated 7 August 2013), the proposal has been deliberated and approved by the First Temporary Shareholders' Meeting for year of 2013 on 22 August 2013.

The company and SKF China agreed: completed the product technology upgrades and transform for Dalian SKF Wazhou Bearing Co., Ltd(hereby after the JV) by SKF (China) before 31st October 2014, and accepted by WBC. SKF (China) shall pay liquidated damage to JV if failure to complete on schedule.

Due to various reasons cannot be predicted by both sides, SKF company didn't deliver the qualified acceptance spherical roller bearing factory after to the company according to the "agreement" on date, SKF and WBC agreed to conduct rectification on the problems and blemish at that time in aspect of technology reform, and SKF will supply the missing technical equipment information to solve the "breach of the provisions of this Agreement shall take effect in". The 20th December 2016 will be determined as the termination date for technology reform agreed by two parties.

Finally, technological transformation project has been delivered in December 20, 2016 and passed the acceptance at the same time, the wholly-owned subsidiary of the company received the pen sincerity reconciliation with 8 million Yuan (RMB) in December 26, 2016, which are all accounted into the 2016 profit, the project ended officially.

Hereby notify.

Board Of Director of

Wafangdian Bearing Co., Ltd.

27 December 2016