

## **Wafangdian Bearing Company Limited Announcement of receiving government grants**

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

On December 14, 2018, the company received by Wafangdian Bearing Group Co., LTD (the company's controlling shareholder, hereinafter referred to as the "Wazhou Group") transfer to the "2017 Manufacturing Innovation Center in Dalian Construction special fund project subsidies of 2 million Yuan, the subsidy for the Dalian Finance Bureau according to the" Dalian Finance Bureau [2017] no. 1094 "and" Dalian Economic and Information Technology Commission [2017] no. 369 "file was allocated to Wazhou Group of" high power locomotive axle box bearing key technology "special fund project.

Due to part of this "key technology of high-power locomotive axle box bearing" projects are implemented in the company, according to the principle of who invests and who benefits, WBGC will transfer 2 million Yuan of capital subsidy belonging to the company to the company.

The company recognizes the fund subsidy as government subsidy and includes it into other income, which will affect the current profit and loss of the company of 2 million yuan in 2018.

**Specially announcement**

**Board of Directors of  
Wafangdian Bearing Company Limited  
December 17, 2018**