

Wafangdian Bearing Company Limited

Notice on Daily Related Transactions Forecast for year of 2021

The Company and all members of the BOD guarantee that the information disclosed is true, accurate and completed, and that there are no false records, misleading statements or material omissions.

I. Daily related transactions in 2020

As approved by the fourth meeting of the company's eighth board of directors and the 2019 annual general meeting of shareholders, the estimated total amount of related transactions of the company related to the sales and purchase of various products with related parties in 2020 would be 1,590.8 million yuan. The actual amount of related transactions of the company in 2020 is 1,608.03 million yuan.

II. Overview of the daily related transactions estimates in 2021

The company held the ninth meeting of the eighth board of directors on April 23, 2021, and reviewed the "Proposal on the Company's 2021 Daily Related Transactions Estimates". The related directors, Liu Jun, Chen Jiajun, Zhang Xinghai, and Sun Najuan avoided voting, the meeting approved the proposal with 7 votes in favor, 0 against, and 0 abstentions. Independent directors issued prior approval and independent opinions.

In 2021, the company expects that the total amount of related transactions involving sales and purchases of various commodities with related parties will be 3,085.46 million yuan.

This proposal needs to be submitted to the company's 2020 annual general meeting of shareholders for review and approval. At that time, the related shareholder Wafangdian Bearing Group Corp. who has an interest in the transaction will abstain from voting on this proposal at the general meeting of shareholders.

(i) Categories and amounts of the forecast of daily related transactions in 2021

In 10 thousand Yuan

Category	Serial	Related party	Content	Pricing principle	Contracted amount or estimated amount	Amount incurred as of the disclosure date	Amount incurred in previous year (audited)
Purchase of spare parts from related parties	1	Wafangdian Bearing Group Corp.	Spare parts	Market-based	50,000	4628	26,463
	2	Wafangdian Bearing Precision Forging Co., Ltd		Market-based	45,000	8501	23,257
	3	Dalian ZWZ Fengyuan Machinery Co., Ltd.		Market-based	2,000	310	329
	4	Wafangdian Bearing Group Precision Rolling Block Co., Ltd.		Market-based	6,000	1334	3,124
	5	Wafangdian Bearing Group Precision Retainer Co., Ltd.		Market-based	15,000	3007	8,854

	6	Dalian ZWZ Equipment Manufacturing Co., Ltd.		Market-based	1,500	161	797
	7	Dalian Wazhou Jinzhou Machinery Co., Ltd.		Market-based	2,500	375	913
Subtotal					122,000	18,315	63,736
Purchase of bearing products from related parties	8	ZWZ Wind Power Bearing Co., Ltd.	Products	Market-based	2,000	232	483
	9	Wafangdian Bearing Group Corp.		Market-based	55,000	5314	28,953
	10	Dalian ZWZ Equipment Manufacturing Co., Ltd.		Market-based	5,000	279	2,010
	11	ZWZ High-end Automotive Bearing Co., Ltd.		Market-based	17,000	3305	8,857
	12	ZWZ Prevision Special Bearing Co., Ltd.		Market-based	500	32	98
	13	Wafangdian Tongda Bearing Manufacturing Co., Ltd.		Market-based	600	0	301
Subtotal					80,100	9,161	40,702
Purchase of equipment from related parties	14	ZWZ Equipment Technology Engineering Co., Ltd.	Equipment	Market-based	100		-
	15	Dalian ZWZ Equipment Manufacturing Co., Ltd.	Equipment	Market-based	500		27
	16	Wafangdian Bearing Precision Forging Co., Ltd	Equipment	Market-based	600		
	17	Wafangdian Bearing Power Co., Ltd.	Lands	Market-based	150		-
	18	Wafangdian Bearing Group Corp.	Equipment	Market-based	500		30
	19	ZWZ National Bearing Engineering Technology Research Center Co., Ltd.	Equipment	Market-based	200		
Subtotal					2,050	0	58
Lease from related parties	20	Wafangdian Bearing Group Corp.	Leased premises	Market-based	1,250	335	1,076
			Leasing lands	Cost pricing	500	72	457
			Leased equipment	Cost pricing	300	65	266
Subtotal					2,050	473	1,799
Source fuel and power from related parties	21	Wafangdian Bearing Power Co., Ltd.	Water	Cost pricing	70	5	32
			Electricity	Cost pricing	5,000	470	3,047
			Sewage charges		50	2	13
			Heating	Government pricing	150	75	142
Subtotal					5,270	552	3,234
Acceptance of labor services provided by related parties	22	Wafangdian Bearing Group Corp.	Security, fire fighting services, etc.	Mutual agreement	400	41	262
			Trademark use	Mutual	2,000	232	1,132

				agreement			
			Promotion fee	Mutual agreement	80		69
	23	ZWZ National Bearing Engineering Technology Research Center Co., Ltd.	Technology development services	Mutual agreement	2,200	327	1,247
	24	Germany Leipzig Ball and Roller Bearing Co., Ltd.		Mutual agreement	100		82
	25	Wafangdian Bearing Power Co., Ltd.	Maintenance fee	Mutual agreement	200	28	138
	26	Wafangdian Bearing Education and Training Center	Training fees	Mutual agreement	25		21
	27	Wafangdian Bearing Hospital	Medical examination fee	Mutual agreement	25		20
Subtotal					5,030	628	2,971
Total purchase from related parties					216,500	29,129	112,500
Sales of products to related parties	28	Wafangdian Corp. (USA) Bearing Co., Ltd.	Products	Market-based	9,000	1906	5,868
	29	Wafangdian Bearing Group Corp.		Market-based	3,000	338	344
	30	ZWZ Wind Power Bearing Co., Ltd.		Market-based	24,000	1021	13,408
	31	ZWZ High-end Automotive Bearing Co., Ltd.		Market-based	2,000	9	1,142
	32	ZWZ Special Precision Bearing Co., Ltd.		Market-based	100	16	13
	33	Germany Leipzig Ball and Roller Bearing Co., Ltd.		Market-based	1,200	77	631
	34	ZWZ Bearing Europe GmbH		Market-based	100		57
Subtotal					39,400	3,367	21,463
Sales of materials to related parties	35	Wafangdian Bearing Precision Forging Co., Ltd	Materials	Market-based	13,000	2003	7,294
	36	Dalian ZWZ Bearing Equipment Manufacturing Co., Ltd.		Market-based	20	4	12
	37	ZWZ Wind Power Bearing Co., Ltd.		Market-based	100	0	47
	38	Wafangdian Bearing Group Precision Rolling Block Co., Ltd.		Market-based	1,500	535	1,216
	39	Wafangdian Bearing Group Precision Retainer Co., Ltd.		Market-based	50	0	29
	40	ZWZ Special Precision Bearing Co., Ltd.		Market-based	100	3	55
	41	ZWZ High-end Automotive Bearing Co., Ltd.		Market-based	100	2	20
	42	ZWZ Precision Transmission Bearing Co., Ltd.		Market-based	300	26	177
	43	Wafangdian Tongda Bearing Manufacturing		Market-based	150		71

		Co., Ltd.					
	44	Wafangdian Bearing Group Corp.		Market-based	15,000	1400	8,199
Subtotal					30,320	3,973	17,120
Sales of spare parts to related parties	45	ZWZ Precision Transmission Bearing Co., Ltd.	Spare parts	Market-based	300		-
	46	ZWZ High-end Automotive Bearing Co., Ltd.		Market-based	1,100		10
	47	Wafangdian Bearing Group Precision Rolling Block Co., Ltd.		Market-based	200		-
	48	Wafangdian Bearing Group Precision Retainer Co., Ltd.		Market-based	50		6
	49	Wafangdian Bearing Group Corp.		Market-based	6,600		954
Subtotal					8,250	0	970
Leasing to related parties	50	Wafangdian Bearing Precision Forging Co., Ltd	Lease of plant	Market-based	150	26	104
	51	Wafangdian Bearing Group Corp.		Market-based	50	18	49
	52	Wafangdian Bearing Group Precision Retainer Co., Ltd.		Market-based	80	13	76
	53	ZWZ High-end Automotive Bearing Co., Ltd.		Market-based	616	141	613
	54	Dalian ZWZ Fengyuan Machinery Co., Ltd.		Market-based	11	3	11
	55	Dalian Wazhou Jinzhou Machinery Co., Ltd.		Market-based	80	20	80
	56	ZWZ High-end Automotive Bearing Co., Ltd.	Lease of equipment	Cost pricing	1,200	354	1,065
	57	Wafangdian Bearing Group Precision Rolling Block Co., Ltd.		Cost pricing	400	11	97
	58	Wafangdian Bearing Group Corp.		Cost pricing	1,000	183	808
	59	ZWZ Special Precision Bearing Co., Ltd.		Cost pricing	150		-
	60	Wafangdian Bearing Group Precision Retainer Co., Ltd.		Cost pricing	250	16	158
	61	Wafangdian Bearing Group Corp.	Lease of lands	Cost pricing	44	12	44
	62	Wafangdian Bearing Group Precision Retainer Co., Ltd.		Cost pricing	25	4	26
	63	Wafangdian Bearing Precision Forging Co., Ltd		Cost pricing	80	19	76
Subtotal					4,136	821	3,206
Provision of labor services to related parties	64	Wafangdian Bearing Group Corp.	Heat treatment, pickling etc.	Market-based	2,000	461	1,776
	65	Wafangdian Bearing Group Precision		Market-based	850	74	469

		Rolling Block Co., Ltd.					
	66	ZWZ Special Precision Bearing Co., Ltd.		Market-based	80	7	47
	67	Dalian Wazhou Jinzhou Machinery Co., Ltd.		Market-based	100	15	49
	68	Dalian ZWZ Bearing Equipment Manufacturing Co., Ltd.		Market-based	70	8	36
	69	ZWZ Precision Transmission Bearing Co., Ltd.		Market-based	3,600	647	2,042
	70	Wafangdian Tongda Bearing Manufacturing Co., Ltd.		Market-based	1,200		649
	71	ZWZ High-end Automotive Bearing Co., Ltd.		Market-based	240	108	133
	72	Wafangdian Bearing Group Precision Retainer Co., Ltd.		Market-based	10	1	0
	73	Wafangdian Bearing Precision Forging Co., Ltd		Market-based	900	8	44
	74	ZWZ Wind Power Bearing Co., Ltd.		Market-based	80		42
Subtotal					9,130	1,329	5,287
Sales to related parties	75	Wafangdian Bearing Group Corp.	Sales of equipment	Market-based	200		77
	76	Wafangdian Bearing Group Precision Rolling Block Co., Ltd.		Market-based	100		45
	77	Wafangdian Bearing Group Precision Retainer Co., Ltd.		Market-based	100		51
	78	Dalian ZWZ Bearing Equipment Manufacturing Co., Ltd.		Market-based	10		2
	79	ZWZ High-end Automotive Bearing Co., Ltd.		Market-based	300		13
	80	Dalian Wazhou Jinzhou Machinery Co., Ltd.		Market-based	100		54
Subtotal					810	0	241
Total sales to related parties					92,046	9,490	48,288

(ii) Actual occurrence of daily related transaction in previous year (2020)

In 10 thousand Yuan

Category	Serial	Related party	Content	Actual amount completed (audited)	Amount approved	Actual amount incurred as a percentage of similar operations(%)	Difference between actual amount incurred and approved amount (%)	Disclosure index
Purchase of spare parts from related	1	Wafangdian Bearing Group Corp.	Spare parts	26,463	12,600	23.52	110.02	

parties	2	Wafangdian Bearing Precision Forging Co., Ltd		23,257	25,000	20.67	-6.97	
	3	Dalian ZWZ Fengyuan Machinery Co., Ltd.		329	300	0.29	9.77	
	4	Wafangdian Bearing Group Precision Rolling Block Co., Ltd.		3,124	3,000	2.78	4.12	
	5	Wafangdian Bearing Group Precision Retainer Co., Ltd.		8,854	7,000	7.87	26.49	
	6	Dalian ZWZ Equipment Manufacturing Co., Ltd.		797	1,500	0.71	-46.89	
	7	Dalian Wazhou Jinzhou Machinery Co., Ltd.		913	2,000	0.81	-54.36	
Subtotal				63,736	51,400	56.65	24.00	
Purchase of bearing products from related parties	8	ZWZ Wind Power Bearing Co., Ltd.	Products	483	100	0.43	383.27	
	9	Wafangdian Bearing Group Corp.		28,953	20,000	25.73	44.76	
	10	ZWZ Precision Transmission Bearing Co., Ltd.		6	500	0.01	-98.70	
	11	Dalian ZWZ Equipment Manufacturing Co., Ltd.		2,010	5,000	1.79	-59.81	
	12	ZWZ High-end Automotive Bearing Co., Ltd.		8,857	11,000	7.87	-19.48	
	13	ZWZ Prevision Special Bearing Co., Ltd.		98	500	0.09	-80.31	
	14	Wafangdian Tongda Bearing Manufacturing Co., Ltd.		301	300	0.27	0.24	
Subtotal				40,708	37,400	36.18	8.85	
Purchase of equipment from related parties	15	ZWZ Equipment Technology Engineering Co., Ltd.	Equipment	-	500		-100.00	
	16	Dalian ZWZ Equipment Manufacturing Co., Ltd.	Equipment	27	500	0.02	-94.53	
	17	Wafangdian Bearing Power Co., Ltd.	Lands	-	30		-100.00	
	18	Wafangdian Bearing Group Corp.	Equipment	30	500	0.03	-93.92	
Subtotal				58	1,530	0.05	-96.23	
Lease from related	19	Wafangdian Bearing Group	Leased premises	1,076	1,250	0.96	-13.92	

parties		Corp.	Leasing lands	457	270	0.41	69.26	
			Leased equipment	266	220	0.24	20.91	
Subtotal				1,799	1,740	1.60	3.39	
Source fuel and power from related parties	20	Wafangdian Bearing Power Co., Ltd.	Water	32	40	0.03	-19.13	
			Electricity	3,047	1,800	2.71	69.30	
			Sewage charges	13		0.01		
			Heating	142	200	0.13	-29.11	
Subtotal				3,234	2,040	2.87	58.55	
Acceptance of labor services provided by related parties	21	Wafangdian Bearing Group Corp.	Security, fire fighting services, etc.	262	515	0.23	-49.13	
			Trademark use	1,132	2,000	1.01	-43.40	
			Promotion fee	69	80	0.06	-13.75	
	22	ZWZ National Bearing Engineering Technology Research Center Co., Ltd.	Technology development services	1,247	1,700	1.11	-26.65	
				82	200	0.07	-59.11	
	24	Wafangdian Bearing Power Co., Ltd.	Maintenance fee	138	60	0.12	130.60	
	25	Wafangdian Bearing Education and Training Center	Training fees	21				
	26	Wafangdian Bearing Hospital	Medical examination fee	20				
Subtotal				2,971	4,555	2.64	-34.77	
Total purchase from related parties				112,507	98,665	100	14.03	
Sales of products to related parties	27	Wafangdian Corp. (USA) Bearing Co., Ltd.	Products	5,868	6,000	12.15	-2.19	
	28	Wafangdian Bearing Group Corp.		344	1,000	0.71	-65.62	
	29	ZWZ Wind Power Bearing Co., Ltd.		13,408	12,000	27.76	11.74	
	30	ZWZ High-end Automotive Bearing Co., Ltd.		1,142	1,100	2.36	3.81	
	31	ZWZ Special Precision Bearing Co., Ltd.		13		0.03		
	32	ZWZ National Bearing Engineering Technology Research Center Co., Ltd.		8	50	0.02	-83.45	
	33	Germany Leipzig Ball and Roller Bearing Co., Ltd.		631	700	1.31	-9.91	

	34	zwz Bearing Europe GmbH		57	100	0.12	-43.07	
Subtotal				21,471	20,950	44.46	2.49	
Sales of materials to related parties	35	Wafangdian Bearing Precision Forging Co., Ltd	Materials	7,294	15,000	15.10	-51.37	
	36	Dalian ZWZ Bearing Equipment Manufacturing Co., Ltd.		12	500	0.02	-97.68	
	37	ZWZ Wind Power Bearing Co., Ltd.		47	100	0.10	-52.53	
	38	Wafangdian Bearing Group Precision Rolling Block Co., Ltd.		1,216	1,000	2.52	21.63	
	39	Wafangdian Bearing Group Precision Retainer Co., Ltd.		29	50	0.06	-42.00	
	40	ZWZ Special Precision Bearing Co., Ltd.		55	100	0.11	-44.73	
	41	ZWZ High-end Automotive Bearing Co., Ltd.		20	500	0.04	-96.10	
	42	ZWZ Precision Transmission Bearing Co., Ltd.		177	200	0.37	-11.46	
	43	Wafangdian Tongda Bearing Manufacturing Co., Ltd.		71	150	0.15	-52.89	
	44	Wafangdian Bearing Group Corp.		8,199	7,024	16.98	16.73	
	45	Dalian Wazhou Jinzhou Machinery Co., Ltd.		0	10	0.0004	-98.16	
Subtotal				17,120	24,634	35.45	-30.50	
Sales of spare parts to related parties	46	ZWZ Precision Transmission Bearing Co., Ltd.	Spare parts	-	300		-100.00	
	47	ZWZ High-end Automotive Bearing Co., Ltd.		10	1,100	0.02	-99.06	
	48	Wafangdian Bearing Group Precision Rolling Block Co., Ltd.		-	200		-100.00	
	49	Wafangdian Bearing Group Precision Retainer Co., Ltd.		6	50	0.01	-88.79	
	50	Wafangdian Bearing Group Corp.		954	6,600	1.97	-85.55	
Subtotal				970	8,250	2.01	-88.25	
Leasing to related parties	51	Wafangdian Bearing Precision Forging Co., Ltd	Lease of plant	104	110	0.21	-5.85	

	52	Wafangdian Bearing Group Corp.		49	44	0.10	10.90	
	53	Wafangdian Bearing Group Precision Retainer Co., Ltd.		76	80	0.16	-4.50	
	54	ZWZ High-end Automotive Bearing Co., Ltd.		613	616	1.27	-0.56	
	55	Dalian ZWZ Fengyuan Machinery Co., Ltd.		11	11	0.02	-2.31	
	56	Dalian Wazhou Jinzhou Machinery Co., Ltd.		80	80	0.17	0.40	
	57	ZWZ High-end Automotive Bearing Co., Ltd.	Lease of equipment	1,065	1,177	2.21	-9.49	
	58	Wafangdian Bearing Group Precision Rolling Block Co., Ltd.		97	211	0.20	-54.02	
	59	Wafangdian Bearing Group Corp.		808	928	1.67	-12.93	
	60	Wafangdian Bearing Group Precision Retainer Co., Ltd.		158	246	0.33	-35.80	
	61	Wafangdian Bearing Group Corp.	Lease of lands	44	42	0.09	3.79	
	62	Wafangdian Bearing Group Precision Retainer Co., Ltd.		26	26	0.05	1.21	
	63	Wafangdian Bearing Precision Forging Co., Ltd		76	80	0.16	-5.14	
Subtotal				3,206	3,651	6.64	-12.18	
Provision of labor services to related parties	64	Wafangdian Bearing Group Corp.	Heat treatment, pickling etc.	1,776	1600	3.68	11.00	
	65	Wafangdian Bearing Group Precision Rolling Block Co., Ltd.		469	500	0.97	-6.20	
	66	ZWZ Special Precision Bearing Co., Ltd.		47	90	0.10	-47.24	
	67	Dalian Wazhou Jinzhou Machinery Co., Ltd.		49	50	0.10	-1.37	
	68	Dalian ZWZ Bearing Equipment Manufacturing Co., Ltd.		36	40	0.07	-9.66	
	69	ZWZ Precision Transmission Bearing Co., Ltd.		2,042	100	4.23	1942.00	

	70	Wafangdian Tongda Bearing Manufacturing Co., Ltd.		649	10	1.34	6390.00	
	71	ZWZ High-end Automotive Bearing Co., Ltd.		133	30	0.28	343.33	
	72	Wafangdian Bearing Group Precision Retainer Co., Ltd.		0	10	0.0001	-99.74	
	73	Wafangdian Bearing Precision Forging Co., Ltd		44		0.09		
	74	ZWZ Wind Power Bearing Co., Ltd.		42				
Subtotal				5,287	2,430	10.95	117.59	
Sales to related parties	75	Wafangdian Bearing Group Corp.	Sales of equipment	77	200	0.16	-61.60	
	76	Wafangdian Bearing Group Precision Rolling Block Co., Ltd.		45		0.09		
	77	Wafangdian Bearing Group Precision Retainer Co., Ltd.		51		0.10		
	78	Dalian ZWZ Bearing Equipment Manufacturing Co., Ltd.		2		0.004		
	79	ZWZ High-end Automotive Bearing Co., Ltd.		13	300	0.03	-95.58	
	80	Dalian Wazhou Jinzhou Machinery Co., Ltd.		54		0.11		
Subtotal				241	500	0.50	-51.81	
Total sales to related parties				48,296	60,415	100	-20.06	

II. Introduction of related parties and related relationships**(In 10 thousand Yuan)**

Serial	Related parties	Legal representative	Registered capital (In 10 thousand Yuan)	Main business	Location	Total assets	Net assets	Income from main business	Net profit	Relationship with the Company	Performance capability
1	Wafangdian Bearing Group Corp.	Liu Jun	51,986.94	Manufacturing and sales of bearings, bearing parts, bearing special tools, tooling, equipment, mechanical equipment, abrasives, abrasive tools, castings, auto parts, locomotive parts and related industrial products; bearing design, repair, maintenance	Section I, Beigongji Street, Wafangdian, Liaoning Province	773,363.99	294,128.59	459652.13	-31,515.45	Controlling shareholder	Related party of the company, such as Wazhou Group, are in a good operating condition, have the corresponding payment capacity and normal production and operation, and are able to fulfill the agreements reached with the Company.

				and technical services; purchase and sale of bearing raw materials and auxiliary materials; house leasing and equipment leasing.							The possibility of bad debts arising from daily related transaction payable to the company is small, and the performance risk of the company is relatively small.
2	Dalian Wazhou Corp. Bearing Equipment Manufacturing Co., Ltd.	Gao Ping	1673.6	Manufacturing, transformation, and maintenance of bearing equipment and various spare parts; automation connection engineering manufacturing; manufacturing and maintenance of various machining equipment;		3,874.90	1,325.94	5,788.07	-855.06	Related party control under the same controlling shareholder	

				manufacturing and maintenance of bearing tooling, measuring tools, cutting tools and instruments; manufacturing of various NC rotary tables; manufacturing of various bearing assemblies; mechanical and electrical engineering construction, pipeline engineering construction and maintenance, installation and maintenance of industrial building lighting and						
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				water-power engineering, house maintenance (the above which is related to qualifications must operate with a qualification certificate); installation and maintenance of construction machinery; various equipment installations; various types of rivet weld processing.						
3	Wafangdian Bearing Precision Forging Co., Ltd	Sui Yutian	2445	Forgings processing, mechanical parts processing, forging equipment maintenance,		54,912.54	13,366.87	56815.17	-1311.88	

				forging annealing, forging process design, sales of metal materials, import and export of goods and technology, storage and hoisting of general cargo						
4	ZWZ Equipment Technology Engineering Co., Ltd.	Gao Ping	3 million yuan	Mechanical and electrical installation engineering, construction, mechanical equipment, instrument procurement, manufacturing, installation and sales, real estate machinery and equipment sales and leasing, non-financial asset		1316.45	476.02	0	-23.11	

				management						
5	ZWZ Special Precision Bearing Co., Ltd.	Wan Yi	30 million yuan	Bearing manufacturing, sales and research		19,781.15	14,023.72	7,262.93	29.76	
6	Liaoning North Metal Supply Chain Co., Ltd.	Wang Dexin	6 million yuan	Metal material sales, computer network technology development, network technology consulting services, general cargo warehousing (excluding hazardous chemicals and special approvals), domestic general trade, import and export of goods and technology,		4166.35	701.98	20,812.80	100.60	

				corporate information consulting (None of the above include items prohibited by laws and regulations, nor contain hazardous chemicals and special approvals, nor contain financial and licensing matters, and matters involving licensing approvals shall not be allowed to carry out business activities before the approvals are obtained. The above						
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				business premises are only for office use) (Projects that are subject to approval in accordance with the law can be operated only after being approved by relevant departments)						
7	ZWZ High-end Automotive Bearing Co., Ltd.	Zhang Shiyin	68 million yuan	Design and R&D, manufacturing and sales of bearings; import & export of goods and technology		46,791.17	-16376.24	59937.49	-3998.23	
8	Wafangdian Bearing Group Precision Rolling Block Co., Ltd.	Bi Dapeng	20 million yuan	Roller design, manufacturing and sales, house and equipment leasing (Projects that are subject to approval in		4608.89	-8113.28	6,543.68	-1092.41	

				accordance with the law can be operated only after being approved by relevant departments)						
9	Wafangdian Bearing Group Precision Retainer Co., Ltd.	Wu Yunkui	1000	Design, manufacturing and sales of cage, houses and equipment leasing		3252.25	-833.74	10,287.79	-14.79	
10	Wafangdian Bearing Power Co., Ltd.	Li Jian	28339.67	Manufacturing and sales of universal joints; manufacturing and sales of industrial steam, electricity, wind, water, and heating; design and installation of electric power, communication, and transmission		8,917.72	4,362.14	7,714.29	229.79	

				pipelines; services such as the transfer of domestic water and electricity; asset leasing of the enterprise, purchase and sale business of related equipment, sales of by-products; maintenance and installation of air compressor equipment; maintenance and installation of electron mechanical equipment; manufacturing, installation and sales of high and low voltage electrical components,						
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				complete sets of electrical equipment, electrical automatic control equipment, machine tools, instruments, and cabinet electrical equipment; electric wire and cable laying and sales; transformer equipment testing; insulation equipment facility testing; gas cylinder testing and filling; mechanical and electrical installation engineering						
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				construction; architectural engineering construction; landscaping engineering construction, garbage removal and cleaning.						
11	Dalian Wazhou Jinzhou Machinery Co., Ltd.	Wang Quanbin	5000	Machining, and sales of mechanical parts		16908.36	5974.29	9,277.95	286.80	
12	Dalian Wazhou Fengyuan Machinery Co., Ltd.	Sun Juan	5000	Machining, sales of machinery spare parts and steels		7598.51	5616.21	12,479.50	325.88	
13	ZWZ Bearing Europe GmbH	Li Dong	25000 Euro	The company is engaged in the acquisition, sale and management of other companies or shares of other companies in	Gutenbergstraße 6 04179 Leipzig Gutenbergstraße	19,976.55	19,661.45	463.31	-241.93	

				Europe; engaged in the purchase, sale or management of shares, the establishment of subsidiaries, branches and permanent bodies, the trading of ball bearings, the sales of related services and the acquisition and award of related intellectual rights licenses.						
14	Leipzig Ball & Roller Bearing Production Co., Ltd. Leipzig Ball and Roller Bearing Co., Ltd. (KRW	Li Dong	5 million euro	R&D, manufacturing and sales of bearing		28,383.98	17,224.61	33,370.21	1,164.53	

	Company)									
15	Wafangdian Corp. (USA) Bearing Co., Ltd.	Li Dong	US\$ 8 million	The company sells bearings and other products manufactured by ZWZ and its subsidiaries in the United States. These products include all kinds of automotive bearings and all kinds of industrial bearings and forgings.	535 Brea Valley Boulevard, Industry City, CA, USA	6901.52	5648.96	12500.09	347.85	
16	Wafangdian Tongda Bearing Manufacturing Co., Ltd.	Liu Feng	320	Manufacturing and repair of bearing; plastic packaging bag manufacturing, kitted gloves,	No.7 Section 1, Beigongji Street, Xinhua Office, Wafangdian City, Liaoning	11,386.83	6,458.80	11,949.10	397.15	

				mechanical process; and distribution of steel	Province						
17	ZWZ National Bearing Engineering Technology Research Center Co., Ltd.	Yu Changxin	1000	Design of products, testing tests, process design, simulation calculations etc.		6,158.77	1,944.49	3229.74	488.47		
18	ZWZ Wind Power Bearing Co., Ltd.	Guo Yufei	20000	Bearing manufacturing and sales, house and mechanical equipment leasing; import and export of goods and technology; wind power bearing technology research and development and consulting; wind power operation and maintenance	Bearing Industrial Park (Zhuhua Industrial Park), Wafangdian City, Liaoning Province	134,815.00	32,705.98	92,303.42	3,417.54		

19	ZWZ Precision Transmission Bearing Co., Ltd.	Meng Xiangyi	3000	Manufacturing and sales of bearing; leasing of house, machinery equipment		14,253.62	2,260.59	13,912.37	849.76	
20	Wafangdian Bearing Education and Training Center	Gao Shibo	150	Technical schools and staff college education, staff skills training, vocational skills identification	No.1 Section I, Beigongji Street, Wafangdian	500.50	484.13	309.60	86.19	
21	Wafangdian Bearing Hospital	Zhang Enyi	817.37	Medical and surgical programs		3311.98	949.32	3,666.58	-1,160.43	

III Main contents of related transactions

The Company and related parties reach transaction agreements based on the principles of voluntariness, equality, mutual benefit, and fairness and justness. The pricing of related transactions is based on market prices, except for government pricing, cost pricing and agreement pricing. The company's transactions with the above-mentioned related parties are normal production and operation activities, and there is no situation that harms the interests of the listed company;

Pricing principles and basis: price with reference to the market price when there is a market comparable price, and price based on cost plus or by agreement when there is no market comparable price.

The above-mentioned daily related transaction prices all follow the principle of fair and reasonable pricing, all parties sign the transaction framework agreement based on the principles of voluntariness, equality, and mutual benefit based on market prices, and ensure that the prices of the products provided by each other do not deviate from the prices of third parties; the transaction prices are calculated based on the agreed price and actual transaction volume, and the payment arrangement and settlement method shall be implemented in accordance with industry-recognized standards or contractual agreements. For related transactions that occur within the expected scope of 2021, after the "Proposal on the Estimated Daily Related Transactions in 2021 of Wafangdian Bearing Co., Ltd." being reviewed and approved by the company's general meeting of shareholders, the company will carry out the transaction after signing the corresponding contract agreement with the related parties based on the market price or the price negotiated by both parties according to the actual needs.

IV The purpose of related transaction and its impact on the listed company

The Company leases houses and factory buildings of Wafangdian Bearing Group Corp., uses its "ZWZ" trademark for a fee, and accepts security, fire protection, technology development and other services provided by Wafangdian Bearing Group Corp. and its subsidiaries, which are necessary for the company's development and production and operation activities, and provide a favorable guarantee for the company's development.

The Company purchases spare parts, bearing products, products, steel and sales materials from related parties, and sells goods and materials, spare parts, and rents out houses and other items, these transactions are necessary for the company's development and ensure the company's normal production and operation activities.

The above-mentioned related transactions are all daily business transactions conducted on the basis of necessity, fairness and mutual benefit. The parties to the transaction strictly follow the relevant agreements, and there is neither damage to the interests of the listed company, nor great influence on the company's financial status in the current period and in the future, nor effect on the independence of the listed company.

V Prior approval of independent directors and opinions of independent directors

After careful inspection beforehand, the independent directors have a full understanding of the necessity and transaction prices of related transactions between Wafangdian Bearing Co., Ltd. and all related units in 2020 and 2021. It is believed that the related transactions between the company and the related units are conducted under the principles of fairness and justness, the transactions are necessary, and the prices are reasonable. The company uses various forms such as bidding and procurement to save costs, and does not harm the rights and interests of small and medium shareholders due to related transactions. Before reviewing this proposal, the company has provided sufficient information to independent directors, and has done a lot of explanation work, and has obtained the agreement of independent directors in advance. The independent directors agree with the company's forecast of the company's daily related transactions in 2021, which they believe are reasonable, fair and feasible.

VI. Documents Available for Reference

1. Resolution of the 9th session of 8th BOD of Wafangdian Bearing Co., Ltd.;
2. Prior Approval from Independent Directors and Independent Director's Opinion;
3. Other documents required by Shenzhen Stock Exchange.

Board of director of
Wafangdian bearing Company limited
26 April 2021