Wafangdian Bearing Company Limited

Summary of Acquisition Report

Company Name: Wafangdian Bearing Company Limited

Listing Location: Shenzhen Stock Exchange

Abbreviated Name: WaZhou B

Stock Code: 200706.SZ

Name of the Acquiring Company: Dalian State-owned Capital Management And Operation Co.,Ltd

Location: Guozichuangxin Building, 6A Lianhe Road, Shahekou District, Dalian City Liaoning Province

Address：Guozichuangxin Building, 6A Lianhe Road, Shahekou District, Dalian City Liaoning Province

June 2022

Statement of Acquirer

I. The summary report is drafted according to laws, regulations and other regulatory documents, such as the Company Law of the People's Republic of China, c, the Administrative Measures on the Acquisition of Listed Companies (hereinafter referred to as "the Acquisition Measures") and Content and Format Guidelines of Information Disclosure for Companies that Have Public Offering of Securities, Document No. 16, About the Acquisition Report of Listed Companies and etc.

II. According to the Securities Law of the People's Republic of China and the

Administrative Measures for Acquisition of Listed Companies, this report has fully disclosed the shares in which the Acquirer has interests in Wafangdian Bearing Company Limited.

As of the signing date of this report, except for the shareholding information disclosed in this report, the Acquirer owns no interest in Wafangdian Bearing Company Limited by any other means.

III. The Acquirer has obtained necessary authorization and approval for signing this report, and its performance does not violate or conflict with any clauses in the Acquirer's articles of association or internal rules.

IV. This transaction was conducted based on the administrative transfer of state-owned assets without compensation, which is conducted by Dalian State-owned Assets Supervisory and Administration Commission pursuant to "The Notice concerning Transfer of State-owned Equity of Dalian Equipment Investment Group Co., Ltd and other 3 Companies to Dalian state-owned Capital Management And Operation Co., Ltd without Compensation (NO. Daguozichanquan[2022]74)" .

V. Pursuant to Administrative Measures for Acquisition of Listed Companies, it may be exempted from issuing an offer.

VI. The acquisition shall be conducted in accordance with the information contained in this summary of the report. Except for the professional institutions employed by the acquiring company and its person acting in concert, no other person has been entrusted or authorized to provide information not contained in this summary or to explain or interpret it.

VII. The acquirer undertakes that there are no false records, misleading statements or major omissions in the summary of this report, and assumes individual and joint legal responsibility for its authenticity, accuracy and completeness.

Contents

Section I Definitions

Unless otherwise specified, the following abbreviations shall have the following specific meanings in this report:

Acquisition Report, this summary report	Refers to	Summary of Acquisition Report of Wafangdian Bearing Company Limited
The Acquirer or Municipal State-owned Assets Operation Company	Refers to	Dalian state-owned Capital Management And Operation Co., Ltd
Dalian SASAC	Refers to	Dalian State-owned Assets Supervisory and Administration Commission
Listed Company, Wazhou	Refers to	Wafangdian Bearing Company Limited
This acquisition, this Change of Equity, This Transfer without Compensation	Refers to	the administrative transfer of state-owned equity in Dalian Equipment Investment Group Co.,Ltd to Dalian state-owned Capital Management And Operation Co.,Ltd without compensation , which is pursuant to "The Notice concerning Transfer of State-owned Equity of Dalian Equipment Investment Group Co.,Ltd and other 3 Companies to Dalian state-owned Capital

		Management And Operation Co.,Ltd without Compensation (NO. Daguozichanquan[2022]74)”
Company Law	Refers to	the Company Law of the People's Republic of China
Securities Law	Refers to	the Securities Law of the People's Republic of China
Measures for Acquisition	Refers to	Administrative Measures for Acquisition of Listed Companies
Articles of Association	Refers to	Articles of Association of Wafangdian Bearing Company Limited
SEC	Refers to	China Securities Regulatory Commission
SSE	Refers to	Shenzhen Stock Exchange
RMB, RMB0’ 000, RMB000’ 000’ 000	Refers to	RMB Yuan, RMB10 thousand Yuan, RMB100 million Yuan

In the summary of this report, there may be a tail difference between the aggregated individual data and the relevant aggregated data, which is caused by rounding of the data.

Section II Introduction of the Acquirer

I Basic information of the Acquirer

Company Name: Dalian State-owned Capital Management and Operation Co., Ltd

Registered Address: Guozichuangxin Building, 6A Lianhe Road, Shahekou District, Dalian City Liaoning Province

Legal representative：Zhang Wei

Registered capital：RMB 500 million

Unified Social Credit Code: 91210200MA7G7LHLXW

Company type: limited liability company (wholly state-owned)

Shareholder: Dalian SASAC 100%

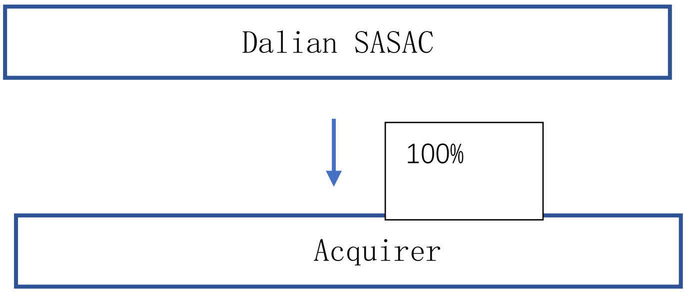
Business scope: general project: state-owned asset operation and management (Except for the projects that need to be approved according to law, independently carry out business activities legitimately pursuant to the business license)

Operating period: December 24, 2021 to Long-term

Contact Address: Guozichuangxin Building, 6A Lianhe Road, Shahekou District, Dalian City Liaoning Province

II Shareholding and Control of Acquirer

As of the date of signing the summary of this Report, Dalian SASAC directly holds 100% of the equity of the Municipal State-owned Assets Operation Company, and is the controlling shareholder and actual controller of the Municipal State-owned Assets Operation Company. The property rights and control relationships are as follows:



III. A Brief Description of the main Business of the Acquirer and the Financial Situation in the Last Three Years

(I) Main business of the Acquirer

Established on 24 December 2021, the Municipal State-owned Assets Operation Company is a wholly state-owned company performing the duties of capital contributor of state-owned capital within the authorization of the State-owned Assets Supervision and Administration Commission of the People' s Government of Dalian, and a professional platform for market-oriented operation of state-owned capital, and a capital operation management platform of municipal state-owned assets of Dalian.

The main objective of the Municipal State-owned Assets Operation Company is to enhance the operational efficiency of state-owned capital and improve the return on state-owned capital. Through equity operation, fund investment, nurturing and incubating, value management and orderly entry and exit, the company has revitalized the stock of state-owned assets, guided and driven the development of social capital, and achieve a reasonable flow of state-owned capital and preserve and increase its value. In particular, it plays the role of "adjusting the structure, promoting the flow, preventing risks and preserving value-added". As a "strategic planning centre, resource integration centre and assessment and evaluation centre", the company provides professional support in strategic restructuring, planning, industrial research, mixed conversions to IPOs, project investment and performance assessment of municipal state-owned enterprises, and promotes the reform and development of state-owned enterprises in Dalian.

As of the signing date of this report, the basic information of the core subsidiaries invested by the Acquirer is as follows:

NO.	Company name	Registered capital (RMB 10,000)	Methods of holding shares	Share-holding ratio	Main business
1	Dalian Zhong Ke Yinggeshi Technology and Industry Development Co. Ltd	500000	Directly	80%	Permitted items: Property development and operation (for projects that shall be approved according to laws, operation activities shall be carried out only after they are approved by relevant departments, and the specific operating projects shall be subject to the approval results) General items: Private equity fund management, venture capital fund management services (Registration with the China Securities Investment Fund Association must be completed before engaging in business activities), Investing with own funds, Non-residential real estate rental, housing rental, property management, machinery and equipment rental, land use rights rental, charge control equipment rental, office equipment rental services, car park services, urban greening management, campus management services, land remediation services, external contracting, business space services, venture capital investment (limited to investments in unlisted companies), corporate management, technology intermediary services, Internet of

					things application services, technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion service, information consulting services (excluding licensed information consulting services), electric vehicle charging infrastructure operation, commercial complex management services, housing demolition services (except for projects subject to approval according to law, business activities shall be carried out independently according to laws and the business license)
2	Dalian Equipment Investment Group Co., Ltd	300000	Directly	100%	Project investment and management; entrusted with the management of state-owned assets; enterprise management services; design, manufacture, installation, maintenance, technical advice and technical services of mining, metallurgical, construction, lifting and steel structure equipment; housing rental; domestic general trade. (for projects that shall be approved according to laws, business activities can only be carried out after they are approved by relevant departments)
3	Dalian Venture Capital Investment Co Ltd.	20000	Directly	100%	General items: Investing with own funds, Private equity fund management, venture capital fund management services (Registration with the China Securities Investment Fund Association must be completed

					before engaging in business activities), venture capital investment (limited to investments in unlisted companies) (except for projects subject to approval according to law, business activities shall be carried out independently according to laws and the business license)

(II) The Financial Data and Indicators of the Acquirer in the Last Three Years

The financial status of the Municipal State-owned Assets Operation Company is as follows:

Unit: Yuan

item	Until 31 May 2022
Total Assets	96,479,418.54
Net Assets	96,463,899.53
Operating income	——
Net profit	-3,535,916.47
Debt to Asset ratio	0.016%
Return on Net Assets	——

IV. Punishment, Major Lawsuits or Arbitration of the Acquirer in the Last Five Years

The Acquirer was incorporated on 24 December 2021. As at the date of this summary report, the Acquirer has not been subject to administrative penalties or criminal penalties in relation to the securities market, nor is there any material civil litigation or arbitration involving economic disputes.

V. Basic Information of Directors, Supervisors and Senior Management of The Acquirer[1]

As of the date of this summary report, the basic information of the directors, supervisors and senior management of the Acquirer is as follows.

[1] The Acquirer is still in the phase of formation, the positions of directors, supervisors and senior management are being filled in.

Name	Title	Nationality	Permanent Residence	Whether to obtain the right of residency in other countries or regions
Zhang Wei	Chairman of the Board & company Communist Party Secretary	China	Dalian, China	No
Wang Jing	Vice General Manager	China	Dalian, China	No
Li Yiping	Vice General Manager	China	Dalian, China	No

As of the date of this Summary report, the above-mentioned persons have not been subject to administrative penalties (except for those apparently unrelated to the securities market), criminal penalties or involved in material civil litigation or arbitration related to economic disputes within the last five years.

Vi. In Cases Where the Acquirer's Interest in Other Listed Companies Within or Outside the Country Reaches or Exceeds 5% of the Issued Shares of those Companies.

No.	**Listed Company**	**Stock ID**	**Stock Code**	**Holding Rights Ratio**
1	Dalian Huarui Heavy Industry Group Co., Ltd.	DHHI	002204.SZ	62.18%
2	Dalian Thermal Power Co., Ltd.	DTPC	600719.SH	32.91%
3	Zhangzidao Group Co., Ltd.	DZF	002069.SZ	15.46%
4	Dashang Co., Ltd.	DS	600694.SH	8.52%
5	Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd.	Bingshan	000530.SZ	20.67%

As of the date of this summary report, other than the above-mentioned shareholdings, the Acquirer does not have any other shareholdings in domestic or overseas listed companies amounting to 5% or more of the issued shares of such companies.

VII Brief Introduction of Banks, Trust Companies, Securities Companies, Insurance Companies and other Financial Institutions in which the Acquirer Holds more than 5% of Equity

As of the date of this summary report, the summarized information of Banks, Small-amount Loan Companies, Finance Lease Companies, Trust Companies, Securities Companies, Insurance Companies and other Financial Institutions in which the Acquirer holds more than 5% of Equity is as follows:

NO.	Company Name	Registered capital (RMB 10,000)	Shareholder	Shareholding Ratio
1	Dalian Hign-tech Zone Equipment Technology Small-amount Loan Company	20000	Dalian Equipment Investment Group Co., Ltd	70%
2	Dalian Shahekou Guohui Small-amount Loan Joint-stock Co.,Ltd	15000	Dalian State-owned Asset Investment Operation Group Co., Ltd	40.33%
			Dalian Guolianxin Investment Co., Ltd	5%
			Dalian Rubber & Plastics Machinery Co., Ltd	10%
3	Dalian Ganghang Small-amount Loan joint-stock Co., Ltd	20000	Dalian Equipment Investment Group Co., Ltd	10%
4	Dalian Equipment Finance Lease Co., Ltd	100000	Dalian Equipment Investment Group Co., Ltd	46.64%
5	Guotou Jianheng Finance Lease Joint-stock Co.,Ltd	100000	Dalian State-owned Asset Investment Operation Group Co., Ltd	40%
6	China Finance Lease Co., Ltd	138585	Dalian State-owned Asset Investment Operation Group Co., Ltd	5.05%
7	Dalian Jinzhou Lianfeng village and town Bank Joint-stock Co., Ltd	11444.65	Dalian State-owned Asset Investment Operation Group Co., Ltd	10%

Section III Decision to Acquire and Purpose of Acquisition

I. Purpose of the Acquisition

This acquisition is to further implement the three-year action of reform of state-owned enterprises, optimize the layout of state-owned capital, further improve the efficiency and level of operation and management of state-owned enterprises and promote the sustainable and healthy development of state-owned enterprises in Dalian, based on the "Overall Implementation Plan on Promoting the Optimization of the Strategic Layout of Municipal State-owned Enterprises" and the "The Notice concerning Transfer of State-owned Equity of Dalian Equipment Investment Group Co., Ltd and other 3 Companies to Dalian state-owned Capital Management And Operation Co., Ltd without Compensation", the Dalian Municipal People's Government decided to transfer 100% of the equity of Dalian Equipment Investment Group Co., Ltd. to Dalian State-owned Capital Management and Operation Co., LTD without compensation, in order to further integrate Dalian's state-owned assets, enhance endogenous development momentum, and promote the preservation and appreciation of state-owned assets.

II. Relevant procedures Performed and still to be Performed in relation to the Acquisition

(I) Decision-making Procedures and Approvals Performed for the Acquisition

Dalian SASAC has issued to Dalian State-owned Capital Management and Operation Co., Ltd a "The Notice concerning Transfer of State-owned Equity of Dalian Equipment Investment Group Co., Ltd and other 3 Companies to Dalian state-owned Capital Management And Operation Co., Ltd without Compensation (NO. Daguozichanquan [2022]74)".

(II) Procedures to be performed for this acquisition

In addition to the relevant legal procedures already performed above, this free transfer does not involve any remaining authorization and approval procedures to be performed.

The parties involved in this acquisition are required to fulfill the corresponding information disclosure obligations in accordance with the provisions of the Securities Law of the People's Republic of China, Administrative Measures on Acquisition of Listed Companies and other relevant laws, regulations and regulatory documents.

III. Plans of the Acquirer to Continue to Increase or Dispose of the shares in the Listed Company in the Next 12 months

The Acquirer is aware of the content of "The Notice concerning Transfer of State-owned Equity of Dalian Equipment Investment Group Co., Ltd and other 3 Companies to Dalian state-owned Capital Management And Operation Co., Ltd without Compensation (NO. Daguozichanquan[2022]74)" and agrees to continue to implement said Notice upon completion of the free transfer. Within the next 12 months, the Acquirer may transfer all or part of its equity interest of Wafangdian Bearing Group Co., Ltd to Dalian SASAC without compensation.

Section IV Acquisition Methods

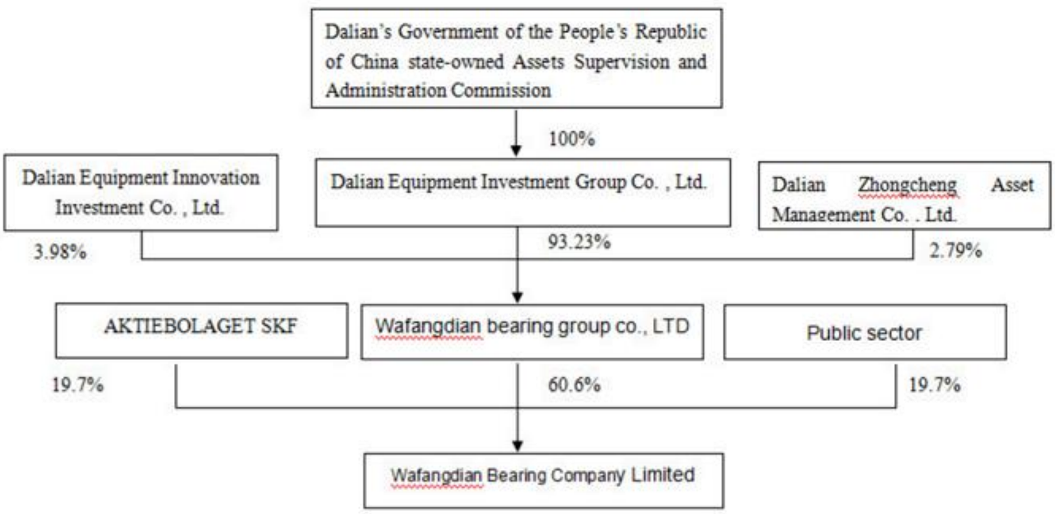
I. The Situation of this Acquisition

(I) Acquisition Methods

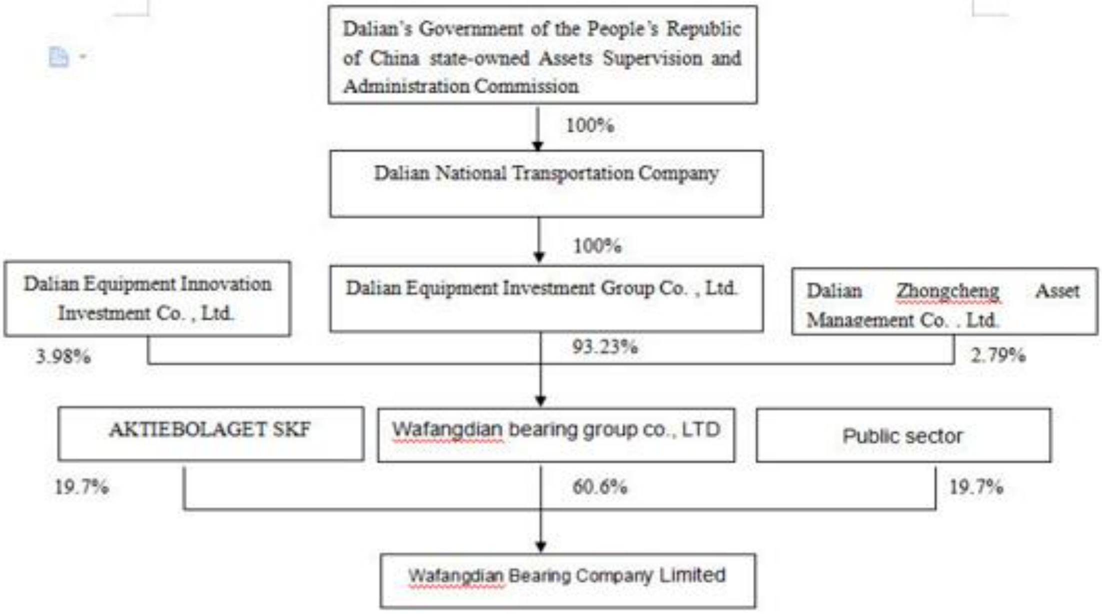
This Acquisition is an indirect acquisition Resulted from the free transfer of state-owned equity.

(II) Changes in Shareholding Structure of the Acquirer

Before the free transfer of equity, the Acquirer did not hold shares of the Listed Company, and the equity control relationship of the Listed Company is as follows:



After the free transfer of equity, the share-holding relationship of the Listed Company is as follows:



Before this free transfer, the controlling shareholder of the Listed Company was Wafangdian Bearing Group Co., Ltd, the indirect controlling shareholder is Dalian Equipment Investment Group Co., Ltd and the actual controller was Dalian SASAC. After this free transfer, Dalian State-owned Capital Management and Operation Co., Ltd will be added as the indirect controlling shareholder of WazhouB, and the direct controlling shareholder and actual controller of WazhouB remained unchanged.

II. Main Content of this Acquisition

According to "The Notice concerning Transfer of State-owned Equity of Dalian Equipment Investment Group Co., Ltd and other 3 Companies to Dalian state-owned Capital Management And Operation Co., Ltd without Compensation (NO. Daguozichanquan [2022]74)" , Dalian SASAC transferred its 100% equity of Dalian Equipment Investment Group Co., Ltd. to Dalian State-owned Capital Management and Operation Co., LTD free of charge, constituting an indirect acquisition by a listed company under the same controller.

III. Encumbrances on the Equity of the Acquired Listed Company

As of the date of this summary report, the equity shares involved in this acquisition are state-owned shares for institutions, there are no encumbrances of any kind, including without limitation, pledge, seizure, and the like.

Section V Exemption from Issuing an Acquisition Offer

I. Matters and Reasons for Exemption

Dalian SASAC has issued "The Notice concerning Transfer of State-owned Equity of Dalian Equipment Investment Group Co., Ltd and other 3 Companies to Dalian state-owned Capital Management And Operation Co., Ltd without Compensation (NO. Daguozichanquan [2022]74)" to Dalian State-owned Capital Management and Operation Co., Ltd and Dalian Equipment Investment Group Co., Ltd, and transferred its 100% equity in Dalian Equipment Investment Group Co., Ltd. to Dalian State-owned Capital Management and Operation Co., LTD free of charge.

After this free transfer, Dalian State-owned Capital Management and Operation Co., Ltd indirectly holds 244 million shares of WazhouB through Dalian Equipment Investment Group Co., Ltd., accounting for 60.61% of the total share capital of the Listed Company. Therefore, this free transfer constitutes an indirect acquisition of a listed company under the same control.

According to item (1) of the first paragraph of Article 63 of the Administrative Measures for Acquisition of Listed Companies "an investor may be exempted from issuing an acquisition offer under any of the following circumstances: the free transfer, change or merger of state-owned assets with the approval of the government or the state-owned assets management department, resulting in the shares in which the investor has an interest in a listed company accounting for more than 30% of the issued shares of the company;"

This Acquisition complies with the relevant provisions of item (1) of paragraph 1, Article 63 of Administrative Measures for Acquisition of Listed Companies, and the Acquirer may be exempted from issuing an acquisition offer.

II. Share-holding Structure of Listed Company before and after the Acquisition

For the equity structure of the Listed Company before and after this acquisition, see "(II) Changes in share-holding structure of the Acquirer " in" I. The Situation of this Acquisition " of "Section IV Acquisition Methods" of this summary report.

Representation of the Acquirer

The acquirer undertakes that there are no false records, misleading statements or major omissions in the summary of this report, and assumes individual and joint legal responsibility for its authenticity, accuracy and completeness.

Legal Representative:

Zhang Wei

Dalian state-owned Capital Management and Operation Co., Ltd

June 29,2022

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Legal Representative:

Zhang Wei

Dalian state-owned Capital Management and Operation Co., Ltd

June 29,2022