Stock code:200706 Stock ID: Wazhou B No:2025-33

Wafangdian Bearing Company Limited

The Third Quarterly Report for 2025

The Company and whole members of the BOD guarantee that the information disclosed is true, accurate and complete, and there are no any fictitious records, misleading statements or important omissions.

Important Content Notice:

- 1. The Board of Directors, all directors, and senior management warrant the truthfulness, accuracy, and completeness of the quarterly report, affirm that there are no false records, misleading statements, or material omissions, and assume individual and joint legal liabilities.
- 2. The company's legal representative, the person in charge of accounting operations, and the head of the accounting department (or the accounting supervisor) declare: They guarantee the truthfulness, accuracy, and completeness of the financial information in the quarterly report.
- 3. Whether the financial accounting report for the third quarter has been audited.

□Yes ☑No

I. Main financial data

Change in accounting policies

(i) Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not
☑ Yes □ No
Reasons for retrospective adjustment or restatement

	Current reporting period	the same period of	last year	The current report period increased or decreased compared with the same period last year	From the beginning of the year to the end of the reporting period	the sa	of the year of the rep the same period of last year the increase		From the beginning of the year to the end of the report period, the increase or decrease compared with the same period last year
		Before adjustment	Adjusted	Adjusted	•	Before		Adjusted	Adjusted
Operating income (yuan)	545,785,818 .80	503,219,497.92	503,219,497.92	8.46%	1,876,401,036.28	1,625,	585,949.75	1,625,585,949.75	15.43%
Net profit attributable to shareholders of the listed company (yuan)	- 8,582,720.1 0	-2,267,654.62	-2,267,654.62	-278.48%	-29,513,631.64	-48,30	0,786.29	-48,300,786.29	38.90%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (yuan)	- 14,003,412. 38	-7,763,768.45	-7,763,768.45	-80.37%	-45,681,038.69	-65,07	4,465.95	-65,074,465.95	29.80%
Net cash flows from operating activities (yuan)	_	_	_	_	280,204,051.67	83,171	,947.61	83,171,947.61	236.90%
Basic earnings per share (yuan/share)	-0.021	-0.0057	-0.0057	-268.42%	-0.0733	-0.120	0	-0.1200	38.92%
Diluted earnings per share (yuan/share)	-0.021	-0.0057	-0.0057	-268.42%	-0.0733	-0.120	0	-0.1200	38.92%
Weighted average return on net assets	-3.63%	-0.70%	-0.70%	-2.93%	-11.98%	-13.90	%	-13.90%	1.92%
	at the end of the reporting period Last year-end		Last year-end	st year-end		The end of this report year increased or de the end of the previous year		ased or decreased from	
			Before adjustment		Adjusted		Adjusted		
Total assets (yuan)	2,860,012,891	.14	3,316,568,117.52 3,316,5		3,316,568,117.52 -13.77%				
Owners' equity attributable to shareholders of the listed company (yuan)	231,732,012.4	14	260,983,803.23		260,983,803.23	260,983,803.23 -11.21%			

Reasons for Changes in Accounting Policies and Correction of Accounting Errors

Implementation of the provisions in "Accounting Standards for Business Enterprises Interpretation No. 18" regarding the accounting treatment of warranty-type quality assurances that do not constitute separate performance obligations.

The Ministry of Finance issued "Accounting Standards for Business Enterprises Interpretation No. 18" (Caikuai [2024] No. 24, hereinafter referred to as "Interpretation No. 18") on December 6, 2024. This interpretation is effective from the date of issuance and allows enterprises to apply it in advance from the year of release.

Interpretation No. 18 stipulates that, when accounting for estimated liabilities arising from warranty-type quality assurances that do not constitute separate performance obligations, enterprises shall, in accordance with the relevant provisions of "Accounting Standards for Business Enterprises No. 13 - Contingencies," debit accounts such as "Cost of Main Business" and "Cost of Other Operations," and credit the "Estimated Liabilities" account. Correspondingly, these amounts shall be presented in the "Operating Costs" line item in the income statement and in items such as "Other Current Liabilities," "Current Portion of Non-Current Liabilities," and "Estimated Liabilities" in the balance sheet.

When an enterprise initially applies the provisions of this interpretation, if the originally recognized warranty-type quality assurance was recorded in "Selling Expenses," it shall be retrospectively adjusted as a change in accounting policy. The adjustments made by the Company for the accounting treatment of warranty-type quality assurances that did not constitute separate performance obligations for the period January to September 2024 are as follows:

In the consolidated financial statements, selling expenses of RMB 6,040,620.00 were reclassified to operating costs. In the parent company's financial statements, selling expenses of RMB 6,031,357.40 were reclassified to operating costs.

(ii) Items and amounts of non-recurring profit (gains)/losses

☑Applicable □ Not applicable

UNIT: yuan

Project	Amount for the reporting period	Amount from the beginning of the year to the end of the reporting period	Explanation
Gains or losses from the disposal of illiquid assets (including the write-off portion of asset impairment provisions already made)	-2,226.46	104,124.01	
Government subsidies included in the current period's profit and loss (excluding those closely related to the company's normal business operations, in compliance with national policy regulations, enjoyed in accordance with determined standards, and having a continuous impact on the company's profit and loss)	2,266,555.92	5,046,983.45	
Except for the effective hedging business related to the company's normal business operations, the gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, as well as the gains or losses from the disposal of financial assets and financial liabilities	32,357.88	27,735.33	
Gains or losses from debt restructuring	4,026,880.04	12,688,784.08	
Other non-operating income and expenses except for the above items	89,285.99	195,685.36	
Other profit and loss items that conform to the definition of non-recurring gains and losses	0.00	1,002,352.64	
Less: Income tax impact amount	992,161.09	2,898,257.82	
Total	5,420,692.28	16,167,407.05	

The specific circumstances of other profit and loss items that conform to the definition of non-recurring gains and losses:

☐ Applicable ☑ Not applicable

The company has no other specific circumstances that meet the definition of non-recurring gains and losses.

A statement on defining the non-recurring gains and losses items listed in the "Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 - Non-recurring Gains and Losses" as recurring gains and losses items

☐ Applicable ☑ Not applicable

The company does not define the non-recurring gains and losses items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-recurring Gains and Losses" as recurring gains and losses items.

(iii) Particulars about changes in items of main accounting data and financial index and explanations of reasons

☑Applicable □Not applicable

Unit: ten thousand yuan

Number	Project	Ending figures	Beginning figures	Increase/ decrease	Percentage change	Reasons for change
1	Monetary funds	8,374	23,940	-15,566	-65.0%	Bank deposits and other monetary funds have decreased since the beginning of the year
2	Other payables	50,905	13,526	37,380	276.4%	The main purpose is to borrow money from related parties
3	Research and development expenses	11,425	8,618	2,807	32.6%	This is mainly due to the differences in R&D projects and progress compared to the same period
4	Financial expenses	922	2,396	-1,475	-61.5%	The main reason is the decline in bill discount interest and interest expenses
5	Other income	994	1,994	-1,001	-50.2%	The main reason is the decline in the additional deduction for value-added tax
6	Investment income	1,369	1,035	334	32.3%	The main reason is the increase in net gains from debt restructuring
7	Non-operating income	45	472	-426	-90.4%	The main reason is the decline in write-off and fine income for the current period
8	Cash paid for purchasing goods or receiving services	14,121	40,355	-26,234	-65.0%	Monetary payments to suppliers have decreased
9	All taxes and fees paid	6,465	3,872	2,593	67.0%	The value-added tax and additional taxes paid in this period have increased year-on-year
10	Obtain the cash received from the loan	16,200	46,000	-29,800	-64.8%	The amount of reverse loans in this period has decreased

II. Shareholders Information

(i) Total number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

Unit: Share

Total common shareholders at the end		4,952	Total preference s	shareholders with v	oting rights	0
of report period		4,932	recovered at end	(if applicable)	U	
Shareholding status of	the top 10 shareho	lders (excludir	ng shares lent through	gh the securities ler	nding program)	
Shareholder's name Nature of of sl		1 Amount of		Number of non-tradable shares	Information of shares pledged, tagged or frozen	
	shareholder held share		Shares held	held	State of share	Amount
Wafangdian bearing Group Co., LTD	State-owned legal person	60.61%	244,000,000	244,000,000	inapplicability	0
Dalian Youth Development	Others	19.70%	79,300,000	0	inapplicability	0

1,433,154

823,400

774,420

738,100

713,101

В

В

В

В

В

Foundation						
China Merchants Securities (Hong Kong) Limited	Overseas legal person	2.69%	10,844,657	0	inapplicability	0
Huang Junyue	Domestic natural persons	1.81%	7,302,709	0	inapplicability	0
Hu Xiaofeng	Domestic natural persons	0.47%	1,879,277	0	inapplicability	0
BOCI SECURITIES LIMITED	Overseas legal person	0.36%	1,433,154	0	inapplicability	0
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	Overseas legal person	0.20%	823,400	0	inapplicability	0
Wang Xiao	Domestic natural persons	0.19%	774,420	0	inapplicability	0
Chen Peng	Domestic natural persons	0.18%	738,100	0	inapplicability	0
MAN,KWAI WING 文贵荣	Overseas natural person	0.18%	713,101	0	inapplicability	0
Shareholding status of executives)	the top 10 shareho	lders (excludi	ng shares lent thro	ugh securities len	ding and locked share	es of senior
Shareholders' name		Number of listed shares held		Type of shares Type	Amount	
Dalian Youth Development Foundation		79,300,000			В	79,300,000
China Merchants Securities (Hong Kong) Limited		10,844,657			В	10,844,657
Huang Junyue		7,302,709			В	7,302,709
Hu Xiaofeng		1,879,277			В	1,879,277
-		7-1-7-1-1				

Jiang Guangsen	691,600		B	691,600
A description of the above shareholder af	filiation or	None		
concerted action		None		
Description of the Top 10 shareholders' p	articipation	None		
in margin trading (if any)		None		
TT '4 4' C 1 1 11 1 11'	.1 50/ C	1 1 4 4 10 1 1 11	1.1 . 10 1 1 :	1.1 C
The situation of shareholders holding more	re than 5% of t	the snares, the top 10 snareholders a	ind the top 10 sharehol	iders of

unrestricted tradable shares participating in the lending of shares through the securities lending and borrowing business

Applicable

Not applicable

1,433,154

823,400

774,420

738,100

713,101

The top 10 shareholders and the top 10 shareholders of unrestricted tradable shares have changed compared with the previous period due to the reasons of lending/returning through the securities lending and borrowing system

 $\hfill\Box$ Applicable \hfill Not applicable

BOCI SECURITIES LIMITED

GUOTAI JUNAN SECURITIES

(HONG KONG) LIMITED

MAN,KWAI WING 文贵荣

Wang Xiao

Chen Peng

(ii) Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

☐ Applicable √ Not applicable

III. Other significant events

☑ Applicable ☐ Not applicable

During the reporting period, the negative impact of the company's designation on the U.S. SDN List has become increasingly apparent and continues to intensify, placing greater pressure on both its operations and financing environment. As a result of the sanctions, the constraints on the company's financing channels have proven difficult to alleviate effectively. In addition, procurement orders from certain domestic and international customers have declined, and some cooperative relationships have even been terminated, posing ongoing challenges to the company's business expansion and revenue stability. Despite actively implementing various countermeasures—such as exploring new customer bases, improving product gross margins, and seeking support for working capital—the company has not yet achieved fundamental mitigation of these risks. Although the company continues to explore response strategies under the guidance and support of its major shareholder and the State-owned Assets Supervision and Administration Commission (SASAC), it still faces significant financial pressure, tight funding conditions, and operational uncertainties. Investors are hereby advised to take note of the associated risks.

IV. Quarterly financial statements

(i) Financial statement

1. Consolidate balance sheet

Prepared by Wafangdian Bearing Company Limited

Unit: Yuan

Project	ending balance	beginning balances
Current assets		
Monetary funds	83,742,459.40	239,398,923.10
Settlement reserve fund		
Withdraw funds		
Trading financial assets	249,617.92	221,882.59
Derivative financial assets		
Notes receivable	438,306,906.76	597,196,581.19
Accounts receivable	916,386,762.59	1,026,226,986.45
Receivables financing	55,333,138.42	48,925,906.07
Advance payment	20,259,673.55	10,948,524.83
Premium receivable		
Reinsurance accounts receivable		
Reserve receivable for reinsurance contracts		
Other receivables	6,914,299.31	7,962,213.75
Among them: Interest receivable		
Dividends receivable		
Buy resale financial assets		
Inventory	696, 183, 084. 21	688, 440, 738. 43
Among them: data resources		
Contract assets	10,106,014.60	11,498,470.21
Hold assets for sale		
Non-current assets due within one year		
Other current assets	43,793,816.49	53,298,611.95
Total current assets	2,271,275,773.25	2,684,118,838.57
Non-current assets		
Issue loans and advances		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment		
Other equity instrument investments	11,906,928.35	11,906,928.35
Other non-current financial assets		

Investment property	74,789,773.00	71,679,927.05
Fixed assets	411,332,894.35	437,398,315.29
Construction in progress	17,509,057.24	34,740,635.71
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	67,118,445.88	70,121,059.58
Among them: data resources		
Development expenditure		
Among them: data resources		
Goodwill		
Long-term deferred expenses	6,080,019.07	6,602,412.97
Deferred income tax assets		
Other non-current assets		
Total non-current assets	588,737,117.89	632,449,278.95
Total assets	2,860,012,891.14	3,316,568,117.52
Current liabilities		
Short-term borrowing	252,000,000.00	570,000,000.00
Borrow from the central bank		
Borrowed funds		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	75,348,156.00	401,129,901.60
Accounts payable	1,605,787,143.98	1,663,816,039.46
Advance payment		
Contract liabilities	27,903,287.14	34,098,145.99
Proceeds from the sale of repurchased financial assets		
Deposit absorption and interbank lending		
Act as an agent for the trading of securities		
Act as an agent for underwriting securities funds		
Employee Compensation payable	39,980,306.79	42,089,354.01
Taxes payable	9,744,009.90	12,064,219.60
Other payables	509,053,320.38	135,258,184.75
Among them: Interest payable		
Dividends payable		
Payable handling fees and commissions		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	0.00	98,350,000.00
Other current liabilities	3,623,981.75	4,417,479.62
Total current liabilities	2,523,440,205.94	2,961,223,325.03
Non-current liabilities		
Insurance contract reserve		
Long-term borrowing		
Bonds payable		
Among them: preferred stocks		
Perpetual bond		
Lease liability	244.074.04	244.054.04
Long-term payables	344,974.84	344,974.84
Long-term employee compensation payable	(0.101.527.51	55 771 (71 0)
Estimated liabilities	68,101,527.51	55,771,671.86
Deferred income	35,869,685.20	37,719,857.35
Deferred income tax liability	524,485.21	524,485.21
Other non-current liabilities	104 940 770 77	04.260.000.26
Total non-current liabilities	104,840,672.76	94,360,989.26
Total liabilities	2,628,280,878.70	3,055,584,314.29

Owner's equity		
Share capital	402,600,000.00	402,600,000.00
Other equity instruments		
Among them: preferred stocks		
Perpetual bond		
Capital reserve	485,691,050.47	485,691,050.47
Less: Inventory stocks		
Other comprehensive income		
Special reserve	2,566,935.09	2,305,094.24
Surplus reserve	136,770,391.01	136,770,391.01
General risk Provision		
Undistributed profits	-795, 896, 364. 13	-766,382,732.49
Total owner's equity attributable to the parent company	231, 732, 012. 44	260,983,803.23
Minority shareholders' equity		
Total owner's equity	231, 732, 012. 44	260,983,803.23
Total liabilities and owner's equity	2, 860, 012, 891. 14	3,316,568,117.52

Legal Representative: Wang Jiyuan Person in Charge of Accounting Operations: Sun Naijuan

Head of Accounting Department: Xuan Songtao

2. Consolidated Profit Statement (from the year-begin to the period-end)

Unit: Yuan

Item	Current period amount	Prior-period amount
I. Total operating income	1,876,401,036.28	1,625,585,949.75
Among them: operating income	1,876,401,036.28	1,625,585,949.75
Interest income		
The premium has been made		
Fee and commission income		
2. Total operating cost	1, 930, 750, 291. 14	1,709,353,450.52
Among them: operating cost	1, 590, 623, 487. 80	1,396,206,572.72
The interest payments		
Fees and commission expenses		
Surrender gold		
Net payout for claims		
Draw the net insurance liability reserve		
Policy bonus payout		
Reinsurance expenses		
Taxes and surcharges	13,528,874.74	10,170,989.14
Cost of sales	104,754,253.66	109,842,961.40
Management fees	98,374,215.89	82,986,788.60
Research and development costs	114,252,362.65	86,182,502.40
Finance charges	9,217,096.40	23,963,636.26
Among them: interest expense	8,341,322.72	18,712,656.21
Interest income	729,252.86	1,456,629.87
Plus: other benefits	9,938,545.97	19,944,734.38
Investment income (loss marked with "-")	13,691,136.72	10,349,572.81
Among them: income from investment in joint ventures and joint ventures		
Financial assets measured at amortized cost terminate recognition of earnings		
Exchange gain (marked with "-" for loss)		

Net exposure hedging gain (loss marked with "-")		
Income from change in fair value (marked with "-" for loss)	27,735.33	-7,704.25
Credit impairment loss (marked with "-")	878,395.83	709,438.92
Asset impairment loss (marked with "-")	0.00	0.00
Gain on disposal of assets (loss marked with "-")	351,955.82	412,941.80
3. Operating profit (loss marked with "-")	-29, 461, 485. 19	-52,358,517.11
Plus: non-operating income	452,328.10	4,716,134.46
Less: non-operating expenses	504,474.55	658,403.64
Iv. Total profit (total loss marked with "-")	-29, 513, 631. 64	-48,300,786.29
Less: Income tax expense	23, 313, 031. 04	-40,300,700.23
V. Net profit (Net loss marked with "-")	-29, 513, 631. 64	-48,300,786.29
(a) classification according to business continuity	23, 313, 031. 04	-40,300,760.23
Net profit from continuing operations (net loss marked with "-")	-29, 513, 631. 64	-48,300,786.29
Net profit from terminated operations (net loss marked with "-") Net profit from terminated operations (net loss marked with "-")	29, 313, 031, 04	-46,300,780.23
(2) Classification according to ownership		
1. Net profit attributable to shareholders of the parent company (net loss marked with "-")	-29, 513, 631. 64	-48,300,786.29
2. Profit and loss of minority shareholders (net loss marked with "-")		
Net after tax of other comprehensive income		
Net after tax of other comprehensive income attributable to owner of parent		
company		
(1) Other comprehensive income that cannot be reclassified into profit or loss		
1. Re-measure the amount of change in the set benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under		
the equity method		
3. Changes in fair value of other equity instrument investments		
4. The fair value change of the enterprise's own credit risk		
5. Other		
(2) Other comprehensive income reclassified into profit and loss		
1. Other comprehensive income that can be transferred to profit or loss under the		
equity method		
2. Changes in fair value of other debt investments		
3. The amount of financial assets reclassified into other comprehensive income		
4. Provision for impairment of other creditor's rights investment credit		
5. Cash flow hedging reserve		
6. Translation difference of foreign currency financial statements		
7. Other		
Net after tax of other comprehensive income attributable to minority		
shareholders		
7. Total comprehensive income	-29, 513, 631. 64	-48,300,786.29
(1) Total comprehensive income attributable to the owner of the parent company	-29, 513, 631. 64	-48,300,786.29
(2) Total comprehensive income attributable to minority shareholders		
8. Earnings per Share		
(1) Basic earnings per share	-0.0733	-0.1200
(2) Diluted earnings per share	-0.0733	-0.1200

Legal Representative: Wang Jiyuan Person in Charge of Accounting Operations: Sun Naijuan

Head of Accounting Department: Xuan Songtao

3. Consolidated Cash Flow Statement (from the year-begin to the period-end)

Unit: Yuan

		Unit: Yuan
Item	Current period	Last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	803,832,890.59	882,536,439.10
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	10,600,282.59	12,680,879.66
Other cash received concerning operating activities	28,857,473.00	30,187,964.38
Subtotal of cash inflow arising from operating activities	843,290,646.18	925,405,283.14
Cash paid for purchasing commodities and receiving labor service	141,205,067.09	403,549,721.57
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	283,025,215.25	298,901,843.99
Taxes paid	64,652,990.87	38,724,681.20
Other cash paid concerning operating activities	74,203,321.30	101,057,088.77
Subtotal of cash outflow arising from operating activities	563,086,594.51	842,233,335.53
Net cash flows arising from operating activities	280,204,051.67	83,171,947.61
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	1,002,352.64	1,000,000.00
Net cash received from disposal of fixed, intangible and other long-term	1 040 200 00	14 700 70
assets	1,049,200.00	14,700.70
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	2,051,552.64	1,014,700.70
Cash paid for purchasing fixed, intangible and other long-term assets	1,858,761.71	4,474,692.15
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	1,858,761.71	4,474,692.15
Net cash flows arising from investing activities	192,790.93	-3,459,991.45
III. Cash flows arising from financing activities		

Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders'		
investment by subsidiaries		
Cash received from loans	162,000,000.00	460,000,000.00
Other cash received concerning financing activities	415,913,167.25	367,088,867.61
Subtotal of cash inflow from financing activities	577,913,167.25	827,088,867.61
Cash paid for settling debts	566,350,000.00	468,550,000.00
Cash paid for dividend and profit distributing or interest paying	10,278,851.41	24,522,188.31
Including: Dividend and profit of minority shareholder paid by		
subsidiaries		
Other cash paid concerning financing activities	367,079,253.82	377,905,041.43
Subtotal of cash outflow from financing activities	943,708,105.23	870,977,229.74
Net cash flows arising from financing activities	-365,794,937.98	-43,888,362.13
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	383,759.56	687,740.50
V. Net increase of cash and cash equivalents	-85,014,335.82	36,511,334.53
Add: Balance of cash and cash equivalents at the period-begin	160,907,298.24	110,664,560.63
VI. Balance of cash and cash equivalents at the period-end	75,892,962.42	147,175,895.16

(II) Adjustments to Relevant Items in the Opening Financial Statements of the Initial Year of Application upon First-Time Adoption of New Accounting Standards from 2025

 \square Applicable \square Not applicable

(III) Audit report

Whether the 3^{rd} quarterly report has been audited or not $\label{eq:Yes} \Box Yes \boxdot No$

The 3rd quarterly report of the Company has not been audited.

Board of Directors of Wafangdian Bearing Company Limited