

Wafangdian Bearing Company Limited
A Supplemental Announcement Relating to Debt Reorganizations During
Normal Operation of Business
Involving Partial 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 seventh session of the board of directors of Wafangdian Bearing Company Limited (the "Company") held the 7th meeting to review and consider the Company's debt reorganization occurred during the normal operation of business throughout first half year of 2018, and disclosed the Announcement of Wafangdian Bearing Company Limited Relating to Debt Reorganization During Normal Operation of Business Involving Partial Related Transactions on 21 August 2018. Set out below are the details of the supplemental announcement:

1. According to Article 9.3 (5) of the Stock Listing Rules of the Shenzhen Stock Exchange: the provision that if "the profit generated by the transaction accounts for more than 50% of the audited net profit of the listed company in the most recent fiscal year, and the absolute amount exceeds 5 million Yuan", it is necessary to submit to the shareholders' meeting for consideration. This debt restructuring does not constitute a "transaction that should be submitted to the shareholders' meeting for consideration", nor does it constitute a major asset restructuring as stipulated in the Administrative Measures for the Major Reorganization of Listed Companies.

2. According to the shenzhen stock exchange "stock listing rules" article 10.2.5: and associated transactions of listed companies, listed companies with cash assets and guarantee except) amount is in thirty million yuan of above, and the absolute values of the listed company's latest audited net assets more than 5% of the related party transactions, besides shall be disclosed in a timely manner, and shall, according to article 9.7 of the rules of the hiring has engaged in securities and futures related business qualification of intermediary organizations, to evaluate trade mark or auditing, a deal and will be submitted to the shareholders meeting. The related debt restructuring take 2.17% of the net asset of 2017 after audited which does not constitute "a transaction to be considered at the general meeting of shareholders".

I. Basic information of the other party in debt restructuring

There are 8 restructuring parties involved, all of which are wholly-owned subsidiaries of Wafangdian bearing group co., LTD., the largest shareholder of the company. Details are as follows:

(i) ZWZ Precision Forging Co., Ltd.

1. Type of Enterprise: Limited Liability Company
2. Enterprise Address: No.1, Section 1, Beigongji Street, Wafangdian City, Liaoning Province
3. Legal Representative: Wang Longjie
4. Registered Capital: 24.45 million Yuan
5. Date of Establishment: June 16, 2004
6. Business Scope: forging products processing, mechanical parts processing; forging equipment maintenance; forging annealing; forging process design; sales of metal materials
7. Main financial indicators as of December 31, 2017: total assets of 401,671,000 Yuan, total liabilities of 241,560,300 Yuan, net assets of 160,110,700 Yuan; on December 31, 2017, accumulated operating income of 546,231,300 Yuan, and net profit of 3,948,700 Yuan.
8. Not the dishonest person subjected to execution

(ii) Wafangdian Bearing Group Windpower Bearing Co., Ltd.

1. Type of Enterprise: Limited Liability Company
2. Enterprise Address: No.1, Section 1, Beigongji Street, Wafangdian City, Liaoning Province
3. Legal Representative: Zhang Xinghai
4. Registered Capital: 200 million Yuan
5. Date of Establishment: June 13, 2007
6. Business Scope: bearing manufacturing and sales; housing and mechanical equipment leasing; import and export of goods and technology; research and development and information of windpower bearing technology; operation and maintenance of wind turbines (except for projects prohibited by laws and administrative regulations; projects restricted by laws and administrative regulations can be operated after obtaining the license) (Projects subject to approval according to law can be carried out after approval by relevant departments)
7. Main financial indicators as of December 31, 2017: total assets of 892,254,200 Yuan, total liabilities of 473,463,600 Yuan, net assets of 418,790,500 Yuan; on December 31, 2017, accumulated operating

income of 335,259,700 Yuan, and net profit of 12,768,300 Yuan.

8. Not the dishonest person subjected to execution

(III) Wafangdian Bearing Precision Rolling Element Co., Ltd.

1. Type of Enterprise: Limited Liability Company

2. Enterprise Address: No.1, Section 1, Beigongji Street, Wafangdian City, Liaoning Province

3. Legal Representative: Zhang Shiyin

4. Registered Capital: 20 million Yuan

5. Date of Establishment: September 1, 2016

6. Business Scope: Rolling body design, manufacturing and sales, housing, equipment rental (Projects subject to approval according to law can be carried out after approval by relevant departments)

7. Main financial indexes as of December 31, 2017: total assets: 115,056,200 yuan, total liabilities: 125,885,100 yuan, net assets: - 10,829,000 yuan; On December 31, 2017, the accumulated operating income was 162,373,000 yuan, and the net profit was -23,373,100 yuan.

8. Not the dishonest person subjected to execution

(IV) Dalian Wafangdian Bearing Group Bearing Equipment Manufacturing Co., Ltd.

1. Type of Enterprise: Limited Liability Company

2. Enterprise Address: No.1, Section 1, Beigongji Street, Wafangdian City, Liaoning Province

3. Legal Representative: Chen Jiajun

4. Registered Capital: 16.736 million Yuan

5. Date of Establishment: June 14, 1996

6. Business Scope: Manufacture, transformation and maintenance of bearing equipment and various spare parts; Automation line engineering manufacture; Various machining equipment and maintenance; Manufacture and maintenance of bearing molds, measuring tools, cutting tools and instruments; Various types of CNC rotary table manufacturing; Electrical engineering construction, pipeline engineering construction and maintenance, industrial building lighting; Installation and maintenance of hydropower projects, and maintenance of buildings (if the above qualifications are involved, operating on the certificate of assets); installation and maintenance of construction machinery; Installation of various equipment; Various kinds of riveting welding processing. (Projects subject to approval according to law can be carried out after approval by relevant departments)

7. Main financial indicators as of December 31, 2017: Total assets were 92,589,600 yuan, total liabilities were 55,243,000 yuan and net assets were 37,346,600 yuan. On December 31, 2017, the accumulated operating income was 37,505,900 yuan and the net profit was -7,036,300 yuan.

8. Not the dishonest person subjected to execution

(V) Wafangdian Bearing Precision Cage Co., Ltd.

1. Type of Enterprise: Limited Liability Company

2. Enterprise Address: No.1, Section 1, Beigongji Street, Wafangdian City, Liaoning Province

3. Legal Representative: Zhang Shiyin

4. Registered Capital: 10 million Yuan

5. Date of Establishment: September 1, 2016

6. Business Scope: Maintenance rack design, manufacturing and sales, housing, equipment rental (Projects subject to approval according to law can be carried out after approval by relevant departments)

7. Main financial indexes as of December 31, 2017: total assets of 36,992,600 yuan, total liabilities of 33,660,000 yuan, net assets of 3,332,600 yuan; On December 31, 2017, the accumulated operating income was 70,750,700 yuan and the net profit was -4,118,200 yuan.

8. Not the dishonest person subjected to execution

(VI) Wafangdian Bearing Equipment Technical Engineering Co., Ltd.

1. Type of Enterprise: Limited Liability Company

2. Enterprise Address: No.1, Section 1, Beigongji Street, Wafangdian City, Liaoning Province

3. Legal Representative: Zhang Xinghai

4. Registered Capital: 3 million Yuan

5. Date of Establishment: June 1, 2012

6. Business Scope: Mechanical and electrical engineering installation, construction, mechanical equipment, equipment procurement, manufacturing, installation, sales (the above production according to the approval process of environmental protection, involving qualifications, operating by the certificate of assets) real estate, mechanical equipment sales and leasing; Non-financial asset management (above does not include financial and special examination and approval) (Projects subject to approval according to law can be carried out after approval by relevant departments)

7. Main financial indexes as of December 31, 2017: total assets: 410,910,100 yuan, total liabilities: 36,003,800 yuan, net assets: 5,086,300 yuan; On December 31, 2017, the accumulated operating income was 11,776,200 yuan and the net profit was -32,000 yuan.

8. Not the dishonest person subjected to execution

(VII) Wazhou Group Precision Drive Bearing Co., Ltd.

1. Type of Enterprise: Limited Liability Company

2. Enterprise Address: Zhu Hua industrial park, Wafangdian City, Liaoning Province

3. Legal Representative: Zhao Yang

4. Registered Capital: 30 million Yuan

5. Date of Establishment: September 19, 2007

6. Business Scope: Manufacture and sale of bearings; Rental of housing, machinery and equipment (Projects subject to approval according to law can be carried out after approval by relevant departments)

7. Main financial indexes as of December 31, 2017: Total assets were 122,191,100 yuan, total liabilities were 79,156,100 yuan and net assets were 43,034,900 yuan. On December 31, 2017, the accumulated operating income was 79,212,400 yuan and the net profit was -16,352,900 yuan.

8. Not the dishonest person subjected to execution

(VIII) Wafangdian Bearing Group Engineering Technology Research Center Co., Ltd.

1. Type of Enterprise: Limited Liability Company

2. Enterprise Address: Bearing industrial park, Wafangdian City, Liaoning Province

3. Legal Representative: Wang Longjie

4. Registered Capital: 10 million Yuan

5. Date of Establishment: April 2, 2014

6. Business Scope: Bearing product design, process design, testing, computer application development, bearing special machine development design, scientific research consulting services (Projects subject to approval according to law can be carried out after approval by relevant departments)

7. Main financial indicators as of December 31, 2017: Total assets amounted to 39,496,700 yuan, total liabilities amounted to 29,355,200 yuan and net assets amounted to 10,141,500 yuan. On December 31, 2017, the accumulated operating income was 18,813,100 yuan and the net profit was 141,500 yuan.

8. Not the dishonest person subjected to execution

II.Reasons for debt restructuring and the impact of the company.

1. The main reason for debt restructuring is that due to the impact of the market environment, enterprises are relatively short term capital shortage. In order to relieve the financial pressure, they reach an agreement with suppliers to charge a certain percentage of down payment when making payments to them;The determination of the relevant discount rate is made through negotiation between the parties within the acceptable range of their business;There is no non-disclosure agreement or arrangement other than those agreed in the reorganization agreement.Debt restructuring involving related parties should not be treated as an equity transaction.

2. The company's subsequent payment arrangement: 1.Taking account of the payment of the supplier to the settlement period;2.According to the company's current actual situation of capital recovery;Capital mainly for the enterprise to sell external bearing products to achieve the recovery of funds;The normal fund payment business does not affect the daily operation of the company.

This is the supplemental announcement to elaborate all the required details.

**The Board of Directors of
Wafangdian Bearing Company Limited
22 August 2018**