

Stock ID:Wazhou B

Stock code: 200706

Announcement No.2019-18

Wafangdian Bearing Company Limited

2019 Midyear Report Abstract

I.Important Notes

This semi-annual report abstract is from the full text of the semi-annual report. In order to fully understand the company's business results, financial situation and future development plan, investors should read the full text of the semi-annual report carefully in the designated media of CSRC.

Statement of objection of directors, supervisors and senior managers

None

In addition to the following directors, the other directors attended the board meeting in person to review the semi-annual report

| Names of directors not present in person | Not present himself as a director | Reason for not attending the meeting in person | Name of principal |
|------------------------------------------|-----------------------------------|------------------------------------------------|-------------------|
| Meng Wei | Chairman of the board of director | Working reason | Zhao Yang |
| Sun Maolin | director | Working reason | Chen Jiajun |

Non-standard audit opinion presentation

☐Applicable ☒ Inapplicable

The profit distribution plan of common stock or the plan of accumulation fund to increase share capital during the reporting period reviewed by the board of directors

☐Applicable ☒ Inapplicable

The company plans not to distribute cash dividends, not to send red shares, not to increase the share capital accumulation fund.

Preferred stock profit distribution plan adopted by the board of directors during the reporting period

☐Applicable ☒ Inapplicable

II.Basic Information of the company

1. Brief Information of the company

| | | | |
|------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|--------|
| Abbreviated name of the stock | Wazhou B | Stock code: | 200706 |
| Listing location of the Company's stock: | Shenzhen Stock Exchange | | |
| Contacts | Secretary of the Board | Representative of Stock Affairs | |
| Name | Sun Najuan | Ke Xin | |
| Correspondence address | No. 1 Beigongji Street, Wafangdian City, Liaoning Province, China. | No. 1 Beigongji Street, Wafangdian City, Liaoning Province, China. | |
| Consulting telephone | 0411-39116369 | 0411-39116731 | |
| E-mail | zwz2308@126.com | zwz2308@126.com | |

2.Main financial data and indicators

Whether the company needs to retroactively adjust or restate previous accounting data

☐ yes ☒ no

| | current period | previous period | +/-comparing with the previous period |
|----------------------------------------------------------|----------------|------------------|---------------------------------------|
| Operating income | 957,539,400.42 | 1,074,867,981.68 | -10.92% |
| Net profit available for shareholders of listing company | 7,771,067.43 | 3,313,980.12 | 134.49% |

| | | | |
|-----------------------------------------------------------------------------------------|------------------|------------------|----------------------------------------|
| Net profit available for shareholders of listing company with abnormal incomes deducted | 6,193,570.78 | -1,544,284.08 | -501.06% |
| Net cash flows from operation activities | 57,453,880.86 | 44,206,595.23 | 29.97% |
| Basic gains on per share | 0.019 | 0.008 | 137.50% |
| Diluted gains on per share | 0.019 | 0.008 | 137.50% |
| Net returns on assets | 0.56% | 0.24% | 0.32% |
| | 2019.06.30 | 2018.12.31 | +/-comparing with the end of last year |
| Total assets | 3,219,383,424.55 | 3,298,167,332.49 | -2.39% |
| Owners' equity (shareholders' equity) | 1,387,801,417.23 | 1,380,023,044.55 | 0.56% |

3.The number and shareholding of the company's shareholders

unit: share

| Total number of shareholder at the end of report period | | | 6,493 | | Total number of shareholder at the end of report period with preferred stock | | 0 | |
|------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------|------------------------------------------------------------------------------|--------|---|--|
| Top 10 shareholders holdings | | | | | | | | |
| Name | Nature | Ratio | Total shares held | Non-current shares held | Impawnd or Frozen Shares | | | |
| | | | | | Status | Amount | | |
| Wafangdian Bearing Group Corporation | State-owned shareholder | 60.6% | 244,000,000 | 244,000,000 | | | | |
| AKTIEBOLAG ET SKF | Foreign shareholder | 19.70% | 79,300,000 | | | | | |
| China Merchants Securities Hong Kong Co., Limited | State-owned shareholder | 1.75% | 7,028,838 | | | | | |
| Huang Junyue | Domestic shareholder | 1.59% | 6,411,068 | | | | | |
| Hu Xiaofeng | Domestic shareholder | 0.47% | 1,879,277 | | | | | |
| GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED | Foreign shareholder | 0.34% | 1,382,406 | | | | | |
| Jin Yunhua | Domestic shareholder | 0.33% | 1,311,256 | | | | | |
| Chen Haitao | Domestic shareholder | 0.19% | 750,896 | | | | | |
| MAN,KWAI WING 文贵荣 | Foreign private shareholder | 0.18% | 713,101 | | | | | |
| Meng Qingliang | Domestic shareholder | 0.17% | 694,948 | | | | | |
| A statement of the above shareholders' association or concerted action | | Among the top 10 shareholders of the company, there is no association or consistent action between the largest shareholder and other shareholders or top 10 shareholders of tradable shares, and it is unknown whether there is any association or consistent action between other shareholders, top 10 shareholders of tradable shares or top 10 shareholders of tradable shares and other shareholders. | | | | | | |

4. Change of controlling shareholders or actual controllers

Change of controlling shareholder during the reporting period

☐Applicable ☒Inapplicable

The controlling shareholders have not changed during the reporting period.

The actual controller changes during the reporting period

☐Applicable ☒ Inapplicable

The actual controller of the company during the reporting period has not changed.

5. The total number of preferred shareholders and the shareholding status of the top 10 preferred shareholders of the company

☐Applicable ☒ Inapplicable

No preferred stock ownership during the reporting period.

6. Corporate bonds

Does the company have corporate bonds which are publicly issued and listed on the stock exchange and which are not due on the date of approval of the semi-annual report or which are not redeemed in full at maturity

NO

III. Discussion and analysis of business conditions

1. Brief introduction of operation during the reporting period

Whether companies are required to comply with specific industry disclosure requirements

No

In the first half of 2019, in the face of negative cost factors such as domestic and foreign macroeconomic environment, raw material cost and staff salary increase, all employees worked together to overcome difficulties and resolutely focused on the main business and steadily consolidated the basic management. The company's steady pace of business, enterprise continued healthy development.

During the reporting period, the company strengthens the responsibility of the board of directors, improves the decision-making process of the board of directors and further improves the corporate governance structure of the company. According to the requirements of listed companies, the company shall disclose relevant information in time, actively cooperate with the work of regulatory authorities, standardize the company's operation, improve the internal control system, and create a good platform for the company's development strategy.

By the end of this report, the total assets of the company are 3219.38 million yuan, which is 2.39% lower than that at the beginning of the year. The net assets attributable to shareholders of the listed company are 1387.8 million yuan, which is 0.56% higher than that at the beginning of the year. The total operating income is 957.54 million yuan, which is 10.92% lower than that of the same period last year. Net profit attributable to shareholders of the parent company reached 7.77 million yuan, up 134.49% over the same period last year.

2.Related matters related to financial reports

(1)Changes in accounting policies, accounting estimates and accounting methods compared with the financial reports of the previous accounting period

☐Applicable ☒ Inapplicable

The ministry of finance issued in March 2017 "The Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments" (Finance and Accounting) [2017] No. 7, the Enterprise Accounting published in May 2017, "the Accounting Standards for Enterprises No. 37 - Presentation of Financial Instruments (Finance and Accounting) [2017] No. 14", the company since January 1, 2019 implementation rule of new financial instruments, and presentation of financial instruments according to the requirement of the new financial instruments criterion related information, compare the financial statements track not adjusted, The above changes in accounting policy have been approved by the board of directors of the company. The ministry of finance issued the notice on "the Revision and Issuance of 2019 Annual General Enterprise Financial Statement Format (Financial Accounting [2019] No. 6) in 2019. After deliberation by the board of directors, the company shall prepare the semi-annual financial statement of 2019 in accordance with the above notice.

(2)Material accounting error correction during the reporting period requires retroactive restatement

☐Applicable ☒ Inapplicable

Company reporting period without major accounting errors correction need retroactive restatement.

(3)compared with the financial report of the previous accounting period, the scope of consolidated statements has changed

☐Applicable ☒ Inapplicable

No changes in the scope of consolidated statements during the reporting period.