

Wafangdian bearing Co., LTD

Announcement on Continuing to Hire Accounting Firms

Our company, the whole members of the board of directors and top managements ensured the truth, accuracy, completeness, no false record, misleading statement and fatal omit of the announcement.

Wafangdian Bearing Co. , Ltd. (hereinafter referred to as "The company") 2024 the Ninth meeting of the Ninth Board of directors and the Seventh Meeting of the Ninth Board of Supervisors on April 26, to consider and pass the motion on Continuing to Hire Accounting Firms. On the recommendation of the Audit Committee of the Board of Directors of the company, it has agreed to retain the Accounting networks and associations (Special General Partnership) as the auditor of the 2024 of the company and to submit the proposal to the General Meeting for consideration, the relevant matters are hereby announced as follows:

1. Basic information on the proposed Accounting networks and associations for 2024

(1) Institutional information

1) Basic information

BOD China Shu Lun Pan Certified Public Accountants LLP (hereinafter referred to as Shu Lun Pan) was founded in Shanghai in 1927 by Dr. Pan Xulun, a leading Chinese accounting master, and re-established in 1986. In 2010, it became the first special general partnership accounting firm in China to complete the restructuring. The registered address is Shanghai, and the chief partner is Mr. Zhu Jiandi. As a member of the international accounting network BDO, Fong's firm has been engaged in securities service business for a long time. Before the implementation of the new Securities Law, Fong's firm has the securities and futures business license, has the H-share audit qualification, and has registered with the Public Company Accounting Oversight Board (PCAOB).

As of end of 2023, Shu Lun Pan has 278 partners, 2533 certified public accountants, 693 certified public accountants who have signed the audit reports for securities service business.

The revenue(audited) of 2023 from Shu Lun Pan was 5001 million yuan. In 2023, Shu Lun Pan provided annual report audit services for 671 listed companies with audit fees of 832 million yuan, and 44 audit clients of listed companies in the same industry.

2) Investor protection capability

As of end of 2023, Shu Lun Pan has withdrawn 161 million yuan from its professional risk funds and purchased an occupational insurance with a cumulative limit of 1250 million yuan, relevant occupational insurance is able to cover the civil liability due to audit failures.

Civil liability in civil litigation related to the practice in the last three years:

Prosecutor (arbitrator)	Respondent(arbitrees)	Events	Amount	Results

Investor	GEEYA TECHNOLOGY, Zhou Xuhui, Shu Lun Pan	Annual Report of 2014	Estimated 45 million yaun	The joint and several liability, the occupational insurance insured by Shu Lun Pan is sufficient to cover the amount of compensation, all judgments in force have now been fulfilled
Investor	Bao Qianli, Northeast Securities, Yinxin CPV, Shu Lun Pan, etc.	Reorganization in 2015, Annual Report of 2015 and Annual Report of 2016	0.8 million yuan	The first trial decision ruled that Shu Lun Pan was liable for supplementary damages for the 15% of the liabilities incurred by Bao Qianli for misrepresentation of securities to investors during the period from December 30, 2016 to December 14, 2017, the occupational insurance is sufficient to cover the amount of compensation.

3) Independence and integrity record

There is no violation of the independence requirements of the China Code of Ethics for Certified Public Accounts by proposed signing partner, signing accountant and quality control reviewer.

In the past three years, Shu Lun Pan has received 0 criminal penalties, 1 administrative penalty, 29 supervisory and management measures, 1 self-regulatory measures and 75 practitioners involved.

(2) Partner and signatory certified public accountant

1) The project partners:

Item	Name	Practice time
Project partner	Cui Song	2003

Project partner Cui Song, who became a Certified Public Accountant in 2003, started auditing listed companies in 2003, started practicing in the firm in 2013, and started providing audit services to the firm in 2022. In the past three years, I have signed or reviewed the audit reports of many enterprises such as Wuhan Zhongke Tongda High-tech Co., LTD., Wuhan Dier Laser Technology Co., LTD.

2) Signatory CPA:

Item	Name	Practice time	Commencement of audit for the listed companies
Signatory CPA	Guo Yaowu	2019	2015

Signature Certified Public Accountant: Name: Yaowu Guo, became a Certified Public accountant in 2019, began to engage in audit of listed companies in 2015, began to practice in the firm in 2018, and began to provide audit services for the company in 2022.

In the past three years, I was responsible for audit reports of Wafangdian Bearing Co., LTD.,

Guangdong Ju-Petrochemical Co., LTD., and other enterprises.

3) Review partner:

Item	Name	Practice time	Commencement of audit for the listed companies
Quality control reviewer	Li Hongyong	2007	2003

Quality Control Auditor: Name: Li Hongyong, became a Certified public accountant in 2007, began to engage in the audit of listed companies in 2003, began to practice in 2012, and began to provide audit services for the company in 2023.

In the past three years, I have signed or reviewed audit reports of Haibo Heavy Engineering Technology Co., LTD., National Energy Group Changyuan Power Co., LTD

4) Independence and integrity record of project team members

The project partner, Certified Public Accountant and quality control reviewer did not violate the independence requirements of the code of Professional Ethics for Chinese Certified Public Accountant.

The above-mentioned persons have no adverse record in the past three years.

(3) Audit fees

In order to maintain the continuity and stability of the audit work, upon the proposal of the Audit Committee of the Board of Directors of the Company, the Board of Directors of the company reappointed Lixin CPA Firm as the audit institution in 2024, responsible for the financial audit and internal control audit of the company. The employment period is one year, and the audit fee of financial report and internal control audit fee is 700,000 yuan in total. Including travel and certification fees). Among them, the audit cost of financial report is 550,000 yuan, and the audit cost of internal control is 150,000 yuan.

2. The approval procedures to be followed for the proposed renewal of the Accounting networks and associations

(1) Performance of functions of the Audit Committee of the Board of Directors

On April 16, 2024, the Audit Committee of the Board of Directors of the Company held its second meeting in 2024 to consider the Proposal on the renewal of the Accounting Firm.

The Audit Committee recognizes FONG's independence, professional competence and investor protection ability by reviewing relevant qualification certificates, relevant information and integrity records. It is believed that Lixin can complete the audit work in accordance with the 2023 annual financial report audit plan and issue the audit opinion of the company's 2023 annual financial report as scheduled; In the execution of the audit work of the company in 2023, I was able to abide by the professional ethics code, perform the audit work in accordance with the auditing standards

of Chinese certified Public accountants, and the relevant audit opinions were objective and fair, and I successfully completed the work entrusted by the company.

Agreed to submit the "Proposal on the renewal of the Accounting Firm" to the ninth meeting of the ninth Board of Directors of the Company for consideration.

(2) The Board of Directors' deliberation and voting on the proposal

The ninth meeting of the ninth Board of Directors of the Company was held on April 26, 2024, and the "Motion on the renewal of the Accounting Firm" was considered. The voting was as follows: 12 votes were agreed, 0 votes were opposed, and 0 votes were abstained; Voting result: Adopted.

The Board of Directors believes that: Fong's Certified Public Accounting Firm (Special General Partnership) is qualified to engage in securities and futures related business, and has the experience and ability to provide audit services for listed companies. In providing audit services for the company, Fong's CPA Firm follows the professional standards of independence, objectivity and fairness, and fulfills its duties, providing high-quality audit services for the company. The report issued by the company can objectively and truly reflect the actual situation, financial status and operating results of the company, effectively fulfill the responsibilities of the audit institution, and safeguard the legitimate rights and interests of the company and shareholders from a professional perspective. Therefore, it is recommended that the Company continue to employ Fong's CPA Firm (Special General Partnership) as the Company's auditor for 2024 for a period of one year.

(3) Effective date

The renewal of the Accounting networks and associations is subject to the approval of the 2023 Annual General Meeting of the company and will take effect on the date of its approval.

3. File

1. Resolution of the Ninth meeting of the Ninth Board of trustees;
2. Resolution of the second meeting of the Audit Committee of the Board of Directors in 2024;
3. LIXIN Accounting networks and associations (Special General Partnership) Business License, Principal and supervisory business contact information and contact information, identity Certified Public Accountant, license and contact information of the person to be responsible for the specific audit business.

Hereby noticed

**Board of Director of Wafangdian Bearing
Company limited
April 29, 2024**