

Wafangdian Bearing Company Limited Suggestive announcement of exemption from the offer regarding the transfer of the shareholder's state-owned equity of the controlling shareholder without compensation

The Company and all members of the BOD guarantee that the information disclosed is true, accurate and completed, and that there are no false records, misleading statements or material omissions.

Important content note:

This acquisition is a free transfer of state-owned assets, according to the relevant provisions of Article 63 of the first paragraph (1) of the Administrative Measures for the Acquisition of Listed Companies, can be exempted from the offer.

After the completion of the acquisition, the actual controller of the company will remain the State-owned Assets Supervision and Administration Commission of Dalian (hereinafter referred to as the "Municipal SASAC"); Dalian Heavy Industry Equipment Group Co., LTD. (hereinafter referred to as "Heavy Industry Equipment Group") is newly added as the indirect controlling shareholder of Wafangdian Bearing Co., LTD. (hereinafter referred to as "the Company"), and the direct controlling shareholder and actual controller of the Company have not changed.

I. Reasons for this acquisition

In order to help Wafangdian Bearing Group Co., LTD. (hereinafter referred to as "Wafangdian Bearing Group", the company's controlling shareholder) to deepen reform, transformation and development, in accordance with the spirit conveyed by the Municipal SASAC and the "Wafangdian Bearing Group Co., LTD. Free Transfer of State-owned Equity Agreement", Dalian Equipment Investment Group Co., LTD. (hereinafter referred to as "Dazhuangtou") intends to transfer its 93.2344% equity of Waxing Group to Heavy Industry Equipment Group free of charge.

II. Basic information of this acquisition

According to paragraph 1 (2) of Article 265 of the Company Law, a controlling shareholder means a shareholder whose capital contribution accounts for more than 50 percent of the total capital of a limited liability company or whose shares account for more than 50 percent of the total capital of a joint stock limited company; The amount of capital contribution or the proportion of shares held is less than 50%, but the voting rights enjoyed by the amount of capital contribution or the shares held are sufficient to have a significant influence on the resolutions of the shareholders' meeting. According to Article 28 of the Articles of Association of Wafangdian Bearing Group Co., LTD., the shareholders shall exercise their voting rights in accordance with the proportion of their capital contribution at the shareholders' meeting.

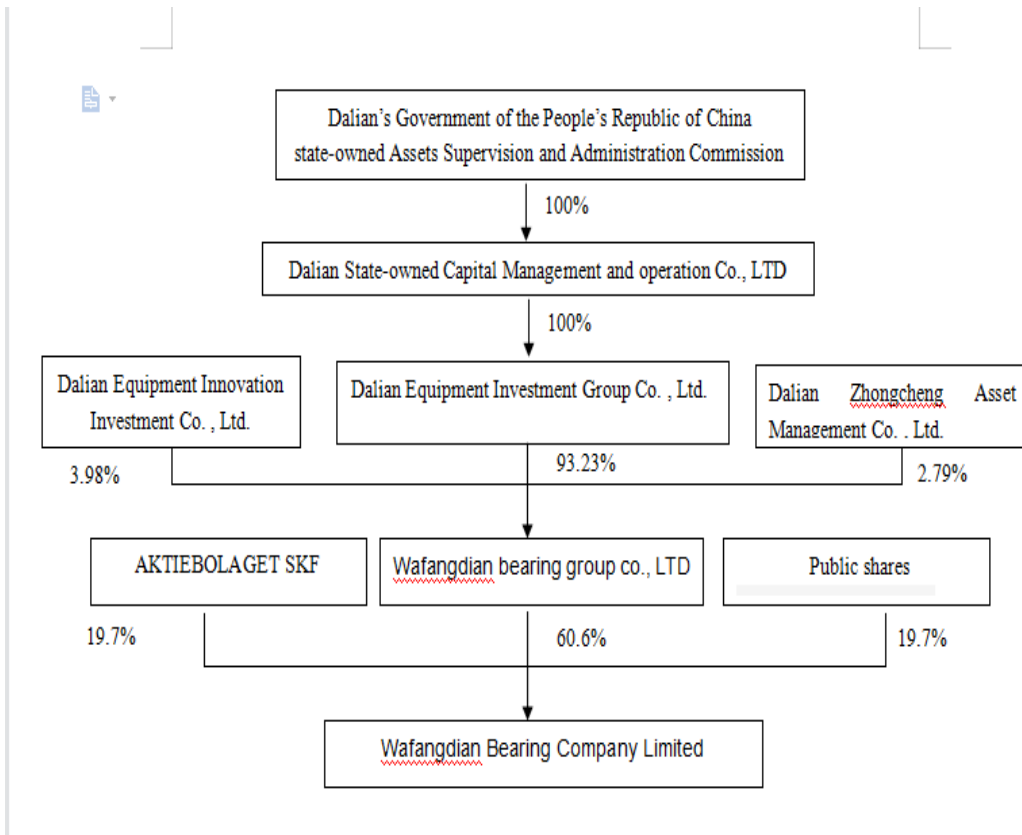
After this free transfer, the purchaser Heavy Industry Equipment Group holds 93.23% of the shares of Waxing

Group and becomes the controlling shareholder of Waxing Group. Since Waxing Group holds 24,400 million shares of the company, accounting for 60.61% of the total share capital of the listed company, after this transfer, Heavy Industry Equipment Group will indirectly control 60.61% of the shares of the listed company through Waxing Group, and Dalian SASAC will still be the actual controller of the listed company. Therefore, the free transfer constitutes an indirect acquisition of the listed company under the same control, and the shares owned by the purchaser Heavy Industry Equipment Group exceed 30% of the issued shares of the listed company, and a comprehensive offer should be issued to all shareholders of the listed company.

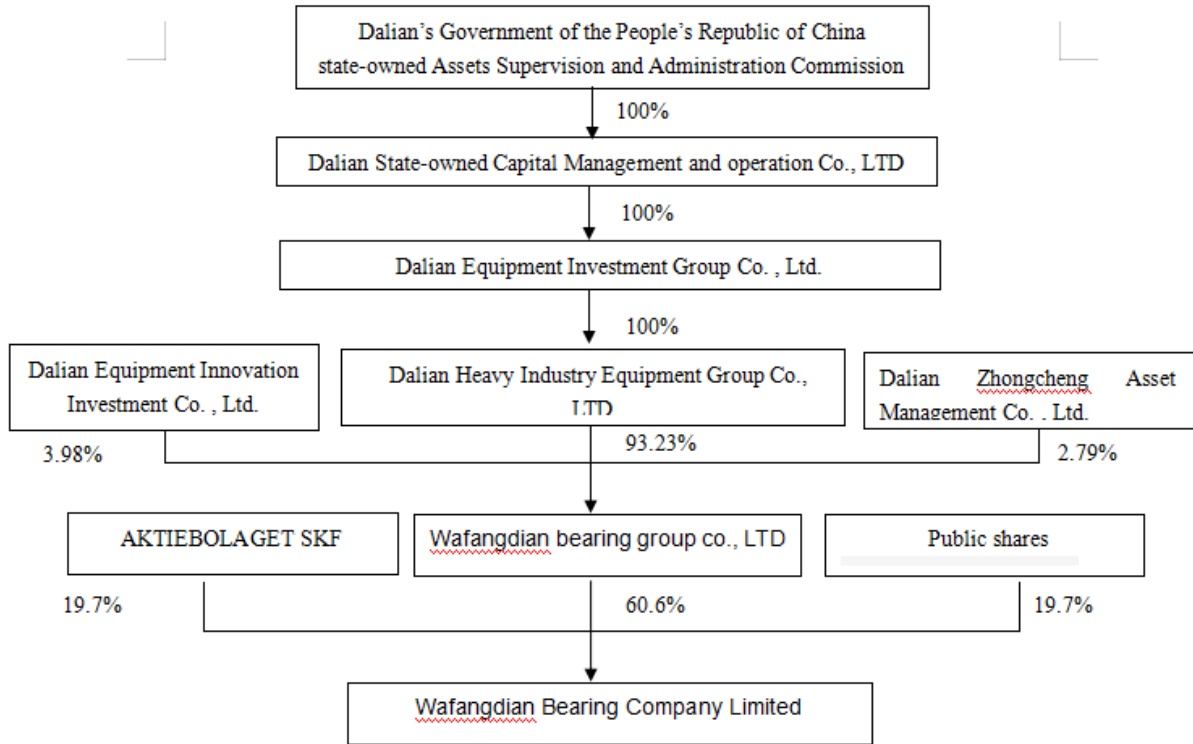
According to Article 63, paragraph 1 (1) of the Measures for the Administration of Acquisitions, if the state-owned assets are transferred, changed or merged without compensation with the approval of the government or the state-owned assets management department, resulting in the shares of investors who have an interest in a listed company accounting for more than 30% of the company's issued shares, the relevant investors may be exempted from making an offer.

Therefore, this acquisition is in line with the relevant provisions of Article 63, paragraph 1 (1) of the Measures for the Administration of Acquisitions, and the purchaser can be exempted from making an offer.

Before this gratuitous transfer, the purchaser did not own the interests of the listed company. Before this free transfer, the property rights relationship of the listed company is as follows:



After this free transfer, the property right relationship of the listed company is as follows:



Before this free transfer, the controlling shareholder of the company is Wafangdian Bearing Group Co., LTD., the indirect controlling shareholder is Dalian Equipment Investment Group Co., LTD., and the actual control is Dalian State-owned Assets Supervision and Administration Commission. After this free transfer, Heavy Industry Equipment Group is newly added as the indirect controlling shareholder of the Company, and the direct controlling shareholder and actual controller of the company have not changed.

III. Description of other relevant matters

After the completion of the acquisition, the actual controller of the company is still Dalian State-owned Assets Supervision and Administration Commission, and the controlling shareholder is still Waxing Group. According to the relevant provisions of the "Measures for the Management of Acquisitions of Listed Companies", the information disclosure obligation Heavy Industry Equipment Group needs to prepare an acquisition report on the above matters, and hire a lawyer to issue a legal opinion.

For details, please refer to the Summary of Acquisition Report of Wafangdian Bearing Co., LTD., which was released on Juchao Information website (<http://www.cninfo.com.cn>) on the same day.

Hereby notify

Board of director of
Wafangdian bearing Company limited
August 26, 2024