

Wafangdian bearing Co., LTD

Announcement on the Engagement of an accounting firm

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.

Special Note:

1. Name of the accounting firm to be appointed in 2025: Zhongshen Zhonghuan Certified Public Accountants (Special General Partner)
2. Name of the accounting firm appointed in 2024: Lixin Certified Public Accountants (Special General Partnership) (hereinafter referred to as "Lixin")
3. Reasons for changing the accounting firm: According to the requirements of the "Notice on the Selection and Appointment of Financial Final Accounts Audit Institutions for Enterprises Funded by the Dalian Municipal State-owned Assets Supervision and Administration Commission" (Dalian State-owned Assets Supervision and Administration Commission Finance [2020] No. 155), listed companies should appoint the same accounting firm as their controlling shareholders.
4. The engagement of the accounting firm this time complies with the provisions of the "Administrative Measures for the Selection and Engagement of Accounting Firms by State-owned Enterprises and Listed Companies" (CAI Kuai [2023] No. 4) issued by the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council, and the China Securities Regulatory Commission.

I. Basic Information of the accounting firms to be Appointed in 2025

Name of the proposed accounting firm to be appointed: Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership)

(1) Institutional Information

1. Basic information

Firm Name	Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership)		
Date of establishment	November 6th, 2013	Organizational form	Special General
Registered address	17-18 / F, Changjiang Industry Building, No. 166, Zhongbei Road, Shuiguohu Sub-district, Wuchang District, Wuhan City, Hubei Province		
Chief Partner	Shi Wenxian	The number of partners at the end of last year	216 people

The number of practicing personnel at the end of last year	Certified Public Accountant	1304 people
	Certified public accountants who have signed audit reports on securities service business	723 people
Business revenue in 2023 (Data for 2024 has not yet been released)	Total business	215,466.65 Ten thousand yuan
	Audit business	185,127.83 Ten thousand yuan
	Income from securities business	56,747.98 Ten thousand yuan
Audit Results of the 2023 Annual Reports of listed companies (including A and B shares) (Data for 2024 has not yet been issued)	The number of auditing clients of listed companies in the previous year	201 households
	Total audit fees	26,115.39 Ten thousand yuan
	Involve major industries	Manufacturing industry, wholesale and retail trade, real estate industry, power, heat, gas and water production and supply industry, agriculture, forestry, animal husbandry and fishery, information transmission, software and information technology services industry, mining industry, culture, sports and entertainment industry, etc

## 2. Investor protection capacity

In accordance with the relevant laws and regulations, the cumulative compensation limit for professional insurance purchased by Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership) is no less than 800 million yuan, which can cover the civil compensation liability caused by audit failure and complies with the relevant provisions.

The situation of bearing civil liability in civil litigation related to professional conduct in the past three years: None.

## 3. Independence and integrity record

Zhongshen Zhonghuan Certified Public Accountants Firm and its project partners, signing certified public accountants, project quality reviewers and other practitioners have not violated the independence requirements stipulated in the "Code of Professional Ethics for Certified Public Accountants of China".

An overview of the criminal penalties, administrative penalties, administrative regulatory measures, self-regulatory measures and disciplinary actions that Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership) has received in the past three years:

In the past three years, Zhongshen Zhonghuan has not received any criminal

penalties. It has been subject to one administrative penalty, three self-regulatory measures, one disciplinary action, and 12 supervisory and management measures ,for its professional conduct.

(2) During the nearly three years of practice at Zhongshen Zhonghuan, no employees have received criminal penalties for their professional conduct. Among the 43 employees, 6 have been subject to administrative penalties, 6 to self-regulatory measures, 4 to disciplinary actions, and 40 to regulatory measures.

## (II) Project Member Information

### 1. Basic information

Members of the project team	Name	When to become a Certified Public Accountant	When did you start auditing listed companies	When did you start practicing at Zhongshen Zhonghuan	When did you start providing auditing services for our company	The situation of signing or reviewing the audit reports of listed companies in the past three years
Project Partner	Liu Yan	1998	2014	2019	2025	Three listed companies have been signed in the past three years
Signing Certified Public Accountant	Men Yangang	2011	2014	2019	2025	One listed company has been signed in the past three years
Project quality control reviewer	Chen Yiwei	1998	1998	2020	2024	In the past three years, six listed companies have been reviewed

### 2. Credit record

The proposed signing project partner Liu Yan, the proposed signing certified public accountant Men Yangang, and the proposed project quality control review partner Chen Yiwei have not been subject to criminal penalties, administrative penalties by the China Securities Regulatory Commission and its dispatched institutions, or regulatory measures by industry authorities due to their professional conduct in the past three years. The specific circumstances under which self-regulatory measures and disciplinary actions have been taken by self-regulatory organizations such as stock exchanges and industry associations.

### 3. Independence

The above-mentioned personnel have not violated the independence requirements stipulated in the "Code of Professional Ethics for Certified Public Accountants of China".

### 4. Audit fees

The total audit fee for the financial report and internal control in 2025 is 700,000 yuan (including tax, travel expenses and confirmation fees, etc.). Among them, the financial report audit fee is 550,000 yuan and the internal control audit fee is 150,000 yuan.

## II. Explanation of the Proposed Change in the Accounting Firm

### (1) Information on the previous accounting firm and the audit opinion of the previous year

The company's original auditing institution, Lixin Certified Public Accountants (Special General Partnership), has provided auditing services for three years. During the period of providing auditing services to the company, it has been able to adhere to the professional standards of independence, objectivity and impartiality, fulfill its duties with due diligence, provide high-quality auditing services to the company, and earnestly fulfill the responsibilities of an auditing institution. The type of audit opinion on the company's financial report for the year 2024 is a standard unqualified opinion, and the audit opinion on the internal control evaluation report is also a standard unqualified opinion. There was no situation where the company was dismissed after entrusting Lixin Certified Public Accountants to carry out part of the audit work.

### (II) Reasons for the proposed change of the accounting firm

The reason for changing the accounting firm: According to the requirements of the "Notice on the Selection and Appointment of Financial Final Accounts Audit Institutions for Enterprises Funded by the Dalian Municipal State-owned Assets Supervision and Administration Commission" (Dalian State-owned Assets Supervision and Administration Commission Finance [2020] No. 155), listed companies should appoint the same accounting firm as their controlling shareholders.

### (3) The communication situation between the listed company and its previous and subsequent accounting firms

The company has fully communicated with Lixin Certified Public Accountants regarding the proposed change of the annual auditing institution. All parties have clearly understood this matter and expressed no objection. The previous and

subsequent accounting firms will, in accordance with the requirements of "Auditing Standard for Certified Public Accountants of China No. 1153 - Communication between the Previous and Subsequent Certified Public Accountants", do a good job in communication and cooperation.

### **III. Procedures for Engaging an accounting firm to perform**

#### **(1) The review opinions of the Audit Committee of the Board of Directors**

On April 21, 2025, the Audit Committee of the company's Board of Directors held its second meeting of 2025 and deliberated and passed the "Proposal on the Engagement of an Accounting Firm". The Audit Committee reviewed and examined the relevant materials of the proposed appointed Zhongshen Zhonghuan Certified Public Accountants Firm (Special General Partner), including but not limited to the relevant proof documents of professional qualifications, professional competence, investor protection ability, independence and integrity status, etc. It is believed that: The reasons for the company's change of accounting firm are sufficient and appropriate. Zhongshen Zhonghuan has the corresponding qualification conditions and experience, and possesses sufficient independence, professional competence and investor protection capabilities. The Audit Committee agrees to submit the "Proposal on Hiring an Accounting Firm" to the 16th meeting of the 9th Board of Directors of the company for deliberation.

#### **(II) The board of directors' deliberation and voting on the proposals**

The company held the 16th meeting of the 9th Board of Directors on April 25, 2025, and deliberated on the "Proposal on the Engagement of an Accounting Firm". The voting results were as follows: 9 votes in favor, 0 votes against, and 0 abstentions. Voting result: Passed.

The board of directors of the company believes that Zhongshen Zhonghuan Certified Public Accountants (Special General Partner) has the qualifications to engage in securities and futures-related businesses and has the experience and ability to provide auditing services for listed companies. Therefore, it is suggested that the company appoint Zhongshen Zhonghuan Certified Public Accountants (Special General Partner) as the auditing institution for the year 2025, with a term of one year.

#### **(III) Effective Date**

The matter of engaging an accounting firm this time still needs to be reviewed and approved by the company's 2024 annual shareholders' meeting and will take effect from the date of approval by the company's shareholders' meeting.

#### **IV. Reference Documents**

1. Resolution of the 16th Meeting of the 9th Board of Directors
2. Resolution of the Second Meeting of the Board Audit Committee in 2025
3. A description of the basic situation of the proposed accounting firm; The business license and practice certificate of the firm (Special general partnership), the information and contact details of the main person in charge and the person in charge of the supervisory business, as well as the identity document, practice license and contact details of the signing certified public accountant who is proposed to be responsible for the specific auditing business.

**Hereby notify**

**Board of director of  
Wafangdian bearing Company limited**

**April 28, 2025**