

Wafangdian Bearing Co., Ltd.

Announcement on Daily Related Transactions Forecast for year of 2026

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.

I. Daily related transactions in 2025

Approved by the 16th meeting of the 9th Board of Directors of the company and the 2024 Annual General Meeting of Shareholders, the total amount of related transactions of various commodity sales and purchases that the company is expected to have with related parties in 2025 is 2,748.60 million yuan. The actual amount of related-party transactions that occurred in the company in 2025 was 1,659.26 million yuan (audited).

II. Overview of the expected daily related transactions in 2026

On April 24, 2026, the company held the 5th meeting of the 10th Board of Directors, during which the "Proposal on the Estimated Daily Related Party Transactions of the Company in 2026" was reviewed. Related party directors Zhang Xinghai, Chen Jiajun and Wang Jiyuan abstained from voting. The meeting passed the proposal with 9 votes in favor, 0 votes against and 0 abstentions. In 2026, the company expects the total amount of related transactions of various commodity sales and purchases with related parties to be 1.95 billion yuan.

This motion needs to be submitted to the company's shareholders' meeting for review and approval. At that time, the related shareholder, Wafangdian Bearing Group Co., LTD., will abstain from voting on this motion at the shareholders' meeting.

(i) Types and amount of expected daily related transactions in 2026

Unit: Ten thousand yuan

Types of Related Transactions	Related Person	Content of Related Transactions	Pricing Principles Related Transactions	Project ed amount for 2026	Actual occurrence amount from January to March 2026	Project ed amount in 2025
Purchase spare parts from associated parties	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Spare parts	Marketization	60,000	12,771	85,000
Purchase bearing products from associated	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Products	Marketization	30,000	7,475	60,000

parties						
Leasing from a related party	Wafangdian Bearing Group Corp., Ltd.	Leased premises Leasehold land Leased equipment	Marketization, cost pricing	2,000	477	2,000
Sourcing fuel and power from associates	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Kinetic energy	Government pricing, cost pricing	5,500	992	6,500
Purchase equipment from affiliates	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	equipment	marketization	100	0	900
Accept services provided by affiliated parties	Dalian Heavy Industry Equipment Group Co., Ltd. its subsidiaries	repair	Mutual agreement			150
	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Security, fire service, trademark use, sharing of public facilities, publicity, vehicle use, technology development services, maintenance/greening, engineering services, labor fees, gear cleaning, training, physical examination, etc.,	Mutual agreement	9,000	1,448	11,000
Total purchase amount from related parties				106,600	23,162	165,550
Sell products to affiliates	Dalian Heavy Industry Equipment Group Co., Ltd. its subsidiaries	product	marketization	0	-	4,500
	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	product	marketization	50,000	7,612	85,500
Sell materials to affiliates	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	goods and materials	marketization	3,300	193	1,500
Sell semi-finished products and spare parts to related people	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Semi-finished products, spare parts	marketization	9,000	0	10
Rent to affiliated	Wafangdian Bearing Group	Lease of plant, equipment, land	Marketization, cost pricing	2,100	491	2,300

parties	Corp., Ltd. and its subsidiaries					
Provide services to related parties	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Heat treatment, sharing of public facilities, pickling and other services	marketization	6,000	1,125	6,000
Sell equipment to affiliates	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	equipment	marketization	18,000	-	9,500
Total sales to related parties				88,400	9,420	109,310

(ii) Actual occurrence of daily related transactions in the previous year (2025)

Unit: Ten thousand yuan

Types of Related Transactions	Related Person	Content of Related Transactions	Pricing Principles Related Transactions	Actual amount incurred in 2025	Projected amount in 2025	Proportion of actual amount to similar business (%)	Difference between actual amount and approved amount (%)
Purchase spare parts from related person	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Spare parts	Marketization	59,596	85,000	48.29	-29.89
Purchase bearings from related person	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Products	Marketization	48,775	60,000	39.52	-18.71
Lease from related parties	Wafangdian Bearing Group Corp., Ltd.	Lease housing Lease land Lease equipment	Marketization, cost pricing	1,894	2,000	1.53	-5.29
Purchase fuel and power from related person	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Kinetic energy	Government pricing, cost pricing	5,139	6,500	4.16	-20.94
Purchase equipment from related person	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Equipment	Marketization	182	900	0.15	-79.81
Accept labor services provided by	Dalian Heavy Industry Equipment Group Co., Ltd and its subsidiaries	repair	Mutual agreement	8	150	0.01	-94.74

related person	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Security, fire service, trademark use, sharing of public facilities, Interest on funds occupation, publicity, vehicle use, technology development services, maintenance/greening, engineering services, labor fees, gear cleaning, training, physical examination, etc.,	Mutual agreement	7,818	1,1000	6.33	-28.93
Total purchase amount from related parties				123,412	165,550	100.00	-25.45
Sell products to affiliates Sell materials to affiliates	Dalian Heavy Industry Equipment Group Co., Ltd. and its subsidiaries	Products	Marketization	3,204	4,500	7.54	-28.79
	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Products	Marketization	28,494	85,500	67.02	-66.67
Selling materials to associates	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	supplies	Marketization	2,595	1,500	6.10	73.02
Selling semi-finished products and spare parts to related parties	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Semi-finished products, spare parts	Marketization	24	10	0.06	143.57
Lease to an affiliate	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Leased plant, Equipment, land	Marketization, cost pricing	2,005	2,300	4.72	-12.82
Provide services to related parties	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	Heat treatment, sharing of public facilities, pickling and other services	Marketization	6,179	6,000	14.53	2.98
Selling equipment to affiliates	Wafangdian Bearing Group Corp., Ltd. and its subsidiaries	equipment	Marketization	12	9,500	0.03	-99.87
Total sales to related parties				42,514	109,310	100.00	-61.11
Explanation of the board of directors of the company on the large difference between the actual occurrence and the expectation of daily related transactions			<p>1. Since the industry of the company is classified as “general equipment manufacturing industry”, even the finished bearings are semi-finished products and spare parts of other industries, the Company and its related companies have thousands of supporting specifications, which are very trivial and the market demand changes greatly ;</p> <p>2. During the transaction process, in line with the principle of</p>				

	<p>cost reduction, the company reduces or increases the expected related transactions under the condition of satisfying the company's quality certification.</p> <p>3. Due to SDN sanctions, certain related business transaction models have been adjusted, resulting in a reduction in transaction amounts.</p>
Explanation of the company's independent directors on the large difference between the actual occurrence and the expectation of daily related transactions	In line with the company's actual situation, the company's daily related transactions that have occurred in 2025 are fair and reasonable, and have not harmed the interests of the company and other non-related shareholders.

III Introduction of related person and relationship

(i) Introduction of related person

1. Wafangdian Bearing Group Corp., Ltd.

Legal representative: Meng Wei

Registered capital: 519,869,400 yuan

Registered address: No. 1, Section 1, North Gongji Street, Wafangdian City, Liaoning Province

Type of enterprise: Limited Liability Company

Business term: From December 22, 1995 to December 22, 2045

Unified social credit code: 91210200242386663D

Business scope: Import and export of goods, import and export of technologies (for projects subject to approval according to law, business activities can only be carried out after approval by relevant departments, the specific business projects shall be subject to the approval results)

General projects: Manufacturing of bearings, gears and transmission parts, sales of bearings, gears and transmission parts, manufacturing of metal tools, sales of metal tools, manufacturing of special equipment (excluding licensed professional equipment manufacturing), research and development of machinery and equipment, sales of machinery and equipment, manufacturing of non-metallic mineral products, sales of non-metallic minerals and products, ferrous metal casting, non-ferrous metal casting, automotive parts and accessories manufacturing, Auto parts retail, auto parts wholesale, railway rolling stock parts manufacturing, railway rolling stock parts sales, industrial design services, general equipment repair, technical service, technical development, technical consultation, technical exchange, technology transfer, technology promotion, metal materials sales, housing leasing, non-residential real estate leasing, machinery and equipment leasing

Latest audited financial position (2024) : Total assets were RMB 8,734.73 million, net assets were RMB 1,163.51 million, operating revenue was RMB 4,024.90 million, and net profit was RMB -266.12 million (audited).

2. Dalian Heavy Industry Equipment Group Co., Ltd.

Legal representative: Meng Wei

Registered capital: 2,440,000,000 yuan

Registered address: No. 169, Bayi Road, Xigang District, Dalian City, Liaoning Province

Type of enterprise: Limited Liability Company

Business term: From December 27, 2001 to December 26, 2051

Unified social credit code: 91210200732769552T

Business scope: Mechanical equipment design, manufacturing, installation, and commissioning; supply of spare parts and accessories; manufacturing of metal products and metal structures; production of molds and tools; metal surface treatment and heat treatment; manufacturing of electromechanical equipment components and collaborative processing; real estate development; transportation, warehousing, labor services, and personnel training; commercial trade; export operations; EPC contracting; electromechanical equipment leasing, technology development, and consulting; computer applications; design, manufacturing, installation, modification, and maintenance of lifting machinery and special equipment; pressure vessel design and manufacturing (for specific categories, limited to subsidiaries within the licensed scope). *** (Projects subject to statutory approval shall only commence operations after obtaining approval from relevant authorities.)

Latest audited financial status: As of December 31, 2024, Total assets were RMB 47.882 billion, and net assets were RMB 10.684 billion; the audited operating revenue for 2024 was RMB 22.846 billion, with a net profit of RMB 0.999 billion.

None of the above related parties belongs to the person subject to enforcement for breach of trust.

(ii) Relationship with the Company

Among the above-mentioned related parties, Wafangdian Bearing Group Co., Ltd. is the largest shareholder of our company. Dalian Heavy Industry Equipment Group Co., Ltd. is a shareholder of the company's controlling shareholder. According to Article 6.3.3, Paragraph 2, Item (1) of the "Stock Listing Rules of Shenzhen Stock Exchange", the above-mentioned company is an associated legal person of the company.

IV. Pricing basis and pricing principles for related transactions

The Company and related parties reach transaction agreements based on the principles of voluntariness, equality, mutual benefit, fairness and justness. The pricing of related transactions, except for government pricing, cost pricing and agreement pricing, is based on market prices. The transactions between the company and the above-mentioned related parties are normal production and operation activities, and there is no situation that damages the interests of the listed company;

Pricing principles and basis: where market comparable prices are available, pricing is based on market prices; where market comparable prices are not available, pricing is based on cost plus or agreement;

The prices of the above-mentioned daily related transactions follow the fair and reasonable pricing principle and are based on market prices, all parties sign trade agreements based on the principles of voluntariness, equality and mutual benefit, and ensure that the prices of products provided to each other do not deviate from the prices of third parties; the transaction price shall be calculated

according to the agreed price and the actual transaction quantity, and the payment arrangement and settlement method shall be implemented with reference to industry-accepted standards or contractual agreements. For related transactions that occur within the expected scope of 2026, after the “Proposal of Wafangdian Bearing Co., Ltd. on the Expected Daily Related Transactions in 2026” being reviewed and approved by the company’s general meeting of shareholders, the company will execute the transactions after signing the corresponding contract agreement with related parties based on the market prices or the prices negotiated and determined by both parties according to actual needs.

V. Purpose of the related transaction and its impact on the listed company

The Company leases the houses and factory sites of Wafangdian Bearing Group Corp., Ltd., uses its “ZWZ” trademark for a fee, and accepts security, fire protection, technology development and other services provided by Wafangdian Bearing Group Corp., Ltd. and its subsidiaries, these are necessary for the company’s development and production and operation activities, and provide a favorable guarantee for the company’s development.

The Company purchases spare parts, bearings, products, and steel products from related parties, and sells materials and spare parts and rent housing and other items to related parties. These transactions are necessary for the company’s development and ensure the company’s normal production and operation activities.

The above related transactions are all daily business transactions and are conducted on the basis of necessity, fairness and mutual benefit, the parties to the transactions strictly follow the relevant agreements, there is no damage to the interests of the listed company, no great impact on the company’s current and future financial status and operating results, nor influence on the independence of the listed company.

VI. Opinions of the Special Meeting of Independent Directors

After review, we believe that the explanation of the actual occurrence of daily related-party transactions in 2025 being different from the forecast is in line with the company's actual situation. The daily related-party transactions that have occurred in 2026 are fair and reasonable, and have not harmed the interests of the company and other non-related party shareholders. The related-party transactions in 2026 are formulated based on the actual amounts incurred in 2025, which are in line with the actual production and operation needs of the company and belong to normal commercial transaction behaviors. The price of related-party transactions is determined based on the market price. The pricing is fair and does not violate the principles of openness, fairness and impartiality. It does not affect the independence of the company's operation, will not have a significant adverse impact on the company's financial and operating conditions, and there is no behavior that harms the interests of the company and small and medium-sized shareholders. It is in line with the overall interests of the company. All the independent directors agreed to this matter and agreed to submit the above-mentioned motion to the company's board of directors for

deliberation. When the board of directors voted on the motion, the related directors abstained as required.

VII. Documents available for inspection

1. Resolution of the 5th Meeting of the 10th Board of Directors of Wafangdian Bearing Co., LTD.;
3. Resolution of the Second special Meeting of Independent Directors in 2026;
4. Overview Table of Related Party Transactions of Listed Companies;
5. Other documents required by the Shenzhen Stock Exchange.

**Board of Directors of
Wafangdian Bearing Co., Ltd.
April 27, 2026**