

Stock Code: 000706

Notice No.: 2026-17

Short Form of the Stock: Wazhou B

Wafangdian Bearing Company Limited

The First Quarterly Report of 2026

The Company and whole members of the Board guarantee that the information disclosed is true, accurate and complete and there are no fictitious records, misleading statements or material omissions carried in the Report.

Important Note:

1. Board of Directors and the Supervisory Committee of Wafangdian Bearing Company Limited (hereinafter referred to as the Company) and its directors, supervisors and senior executives should guarantee the reality, accuracy and completion of the quarterly report, there are no any fictitious statements, misleading statements or important omissions carried in this report, and shall take legal responsibilities, individual and/or joint.
2. Person in charge of the Company, head of accounting and person in charger of accounting organ (accounting officer) hereby confirm that the financial information of this Quarterly Report is authentic, accurate and complete.
3. The first quarterly report audited or not

Yes No

I. Main financial data

(i) Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current Period	Same period of last year	Changes of this period over same period of last year (%)
Operating income (yuan)	570,327,865.59	670,576,656.24	-14.95%
Net profit attributable to shareholders of the listed company (yuan)	-957,220.77	-7,775,309.04	87.69%
Net profit excluding non-recurring gains and losses attributable to shareholders of the listed company (yuan)	-6,972,276.08	-14,549,594.19	52.08%
Net cash flow from operating activities (yuan)	1,584,236.16	27,045,356.92	-94.14%
Basic earnings per share (yuan/share)	-0.0024	-0.0193	87.56%
Diluted earnings per share (yuan/share)	-0.0024	-0.0193	87.56%
Weighted average return on equity	-0.48%	-3.02%	2.54%
	End of this period	End of last period	Changes of this period-end over same period-end of last year (%)
Total assets (yuan)	2,752,217,280.76	2,787,274,723.39	-1.26%
Owners' equity attributable to shareholders of the listed company (yuan)	198,718,472.94	199,023,958.34	-0.15%

(ii) Items of non-recurring gains and losses√ Applicable Not applicable

Unit: RMB/CNY

Item	Current amount	Note
Gains and losses from disposal of non-current assets (including the write-off portion of the provision for asset impairment)	91,622.26	
Government subsidies included in the current profit and loss (except for government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, enjoy according to established standards and have a continuous impact on the company's profit and loss)	1,581,667.74	
Except for the effective hedging operations related to the normal business operations of the company, the gains and losses arising from the changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, as well as the gains and losses resulting from the disposal of financial assets and financial liabilities	-6,163.41	
Debt restructuring gains and losses	3,981,829.64	
Other non-operating income and expenses not covered by the above items	366,099.08	
amount to	6,015,055.31	--

Other specific information about profit and loss items that meet the definition of non-recurring profit and loss

 Applicable Not applicable

The company does not have other specific information about profit and loss items that meet the definition of non-recurring profit and loss.

A description of the situation in which the items of non-recurring gains and losses listed in Interpretative Announcement No.1 on Information Disclosure of Publicly Issued Securities —— Non-recurring Gains and Losses are defined as items of recurring gains and losses

 Applicable Not applicable

The company does not define the items of non-recurring gains and losses listed in the Interpretative Announcement No.1 on Information Disclosure of Publicly Issued Securities —— Non-recurring Gains and Losses as items of recurring gains and losses.

(iii) Circumstances and reasons for changes in major accounting data and financial indicators√ Applicable Not applicable

Unit: RMB/CNY

Number	Item	2026.01.01-2026.03.31/End-of-period amount	Amount of same period last year / Initial numbers	Amount of increase or decrease	Increase and decrease ratio	Explanation of change
1	Other income	174	398	-224	-56.3%	Mainly affected by the reduction in the portion of VAT carry-forward deduction recorded as other income compared to the same period
2	Credit impairment Loss	16	27	-11	-40.6%	Mainly due to the write-off of bad debts and credit impairment losses corresponding to the collection of accounts receivable and bills
3	Non-operating income	38	13	25	190.7%	1. Penalty income increased by 170,000 yuan compared to the same period; 2. Other income increased by 80,000 yuan compared to the same period.
4	Non-operating expenses	2	32	-31	-94.9%	1. Non-current asset disposal losses decreased by 250,000 yuan compared to the same period; 2. Penalty expenses decreased by 15,000 yuan compared to the same period, and

						other expenses decreased by 45,000 yuan compared to the same period.
5	Net cash flow generated from operating activities Net cash flow from investing activities	158	2,705	-2,546	-94.1%	Operating inflows decreased by 56.15 million yuan year-on-year (mainly due to a decrease of 42.91 million yuan in cash received from selling goods and providing services); Operating outflows decreased by 30.69 million yuan year-on-year (mainly due to a decrease of 30.43 million yuan in cash paid for purchasing goods and receiving services)
6	Net cash flow from financing activities	100	187	-86	-46.3%	Investment cash inflows decreased by 1.05 million yuan year-on-year (mainly due to a decrease of 1.05 million yuan in the net cash received from the disposal of fixed assets, intangible assets and other long-term assets); Investment cash outflows decreased by 180,000 yuan year-on-year (mainly due to a decrease of 180,000 yuan in cash paid for the construction of fixed assets)
7	Other receivables	140	-11,827	11,966	-101.2%	Financing cash inflows decreased by 140.23 million yuan year-on-year (mainly due to a decrease of 162 million yuan in cash received from obtaining loans, and an increase of 2.177 million yuan in other financing-related cash inflows); Financing cash outflows decreased by 259.89 million yuan year-on-year (mainly due to a decrease of 17.542 million yuan in cash paid for other financing-related expenses)
8	Notes payable	1,690	1,063	627	59.0%	The reserve funds of the business division and regional headquarters increased by 1.74 million yuan compared to the beginning of the year, and the guarantee funds increased by 2.97 million yuan compared to the beginning of the year.
9	Wages payable	5,080	37	5,043	13607.7%	Affected by the payment of invoices to suppliers
10	Other income	2,518	4,906	-2,388	-48.7%	Mainly due to the accrual of bonuses and other expenses in the previous year and their actual distribution in the current year

II. Shareholder information

(i) The total number of ordinary shareholders, the number of preferred shareholders whose voting rights have been restored and a statement of the holdings of the top 10 shareholders

Unit: share

Total number of common shareholders at the end of report period		2774	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)		0	
Top ten shareholders(excluding shares lent through refinancing)						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of non-tradable shares held	Information of shares pledged, tagged or frozen	
					State of share	Amount
Wafangdian Bearing Group Corp., Ltd.	State-owned legal person	74.15%	298,524,555	244,000,000	inapplicability	0.00
Dalian Youth Development	other	19.70%	79,300,000	0	inapplicability	0.00

Foundation						
Wang Xiao	Overseas legal person	0.19%	774,420	0	inapplicability	0.00
Chen Peng	Domestic natural person	0.18%	738,100	0	inapplicability	0.00
Jiang Guangsen	Domestic natural person	0.17%	700,000	0	inapplicability	0.00
Bocom International Securities Co., LTD	Foreign legal person	0.14%	575,068	0	inapplicability	0.00
Li Zhijun	Foreign legal person	0.14%	573,764	0	inapplicability	0.00
Zhou Yan	Domestic natural person	0.12%	463,700	0	inapplicability	0.00
Zhou Mei	Foreign legal person	0.11%	443,620	0	inapplicability	0.00
Yang Yiguang	Domestic natural person	0.11%	437,811	0	inapplicability	0.00
Top ten shareholders with tradable shares held						
Shareholder's name	Amount of listed shares held	Type of shares				
		Type	Amount			
Dalian Youth Development Foundation	79,300,000	Domestically listed foreign shares	79,300,000			
Wafangdian Bearing Group Corp., Ltd.	54,524,555	Domestically listed foreign shares	54,524,555			
Wang Xiao	774,420	Domestically listed foreign shares	774,420			
Chen Peng	738,100	Domestically listed foreign shares	738,100			
Jiang Guangsen	700,000	Domestically listed foreign shares	700,000			
Bocom International Securities Co., LTD	575,068	Domestically listed foreign shares	575,068			
Li Zhijun	573,764	Domestically listed foreign shares	573,764			
Zhou Yan	463,700	Domestically listed foreign shares	463,700			
Zhou Mei	443,620	Domestically listed foreign shares	443,620			
Yang Yiguang	437,811	Domestically listed foreign shares	437,811			
Explanation on associated relationship among the aforesaid shareholders	Among the top ten shareholders, there is no affiliation or concerted action between the first majority shareholder and other shareholders or the top ten outstanding shareholders; Affiliation or concerted action among other shareholders, among the top ten outstanding shareholders, and between the top ten outstanding shareholders and other shareholders are not available.					
Description of the top 10 shareholders' participation in margin trading (if any)	None					

Shareholders holding more than 5%, the top 10 shareholders and the top 10 shareholders of unlimited tradable shares participate in the refinancing business to lend shares

Applicable Not applicable

The top 10 shareholders and the top 10 shareholders of unlimited outstanding shares have changed from the previous period due to refinancing lending/restitution reasons

Applicable Not applicable

(ii) Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

III. Other important matters

Applicable Not applicable

In recent years, due to the impact of the global economic recession, economic restructuring, and other factors, Wazhou B has suffered consecutive annual losses and its operating conditions have been deteriorating. Since 2025, the superposition of multiple adverse factors has further restricted the company's operations, and its financial risks continue to increase. If this situation persists, it will inevitably intensify the company's operating risks. Taking all factors into consideration, Wazhou Group, as the controlling shareholder of Wazhou B, intends to initiate a general offer to all holders of unrestricted tradable shares for the purpose of terminating the listing status of Wazhou B, so as to fully protect the interests of Wazhou B's shareholders and demonstrate the responsibility of a state-owned enterprise.

On January 19, 2026, Wazhou Group disclosed the "Wafangdian Bearing Co., Ltd. Takeover Offer Report", with the offer period from January 20, 2026, to February 27, 2026. The condition for the offer to become effective is that, as of 15:00 on the last trading day of the effective period of this takeover offer, the number of Wazhou B public shares temporarily deposited with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited pursuant to accepted offers exceeds 39,050,000 shares, meaning that after the acquisition, the number of Wazhou B public shares held by the public as a percentage of total share capital falls below 10%. According to the listing rules of the Shenzhen Stock Exchange, Wazhou B would no longer meet the listing requirements, and thus the offer would become effective.

As of February 27, 2026, there were 1,459 shareholders who accepted the offer for Wazhou B, with a total of 54,524,555 unrestricted tradable public shares accepted. According to the effective conditions set out in the "Wafangdian Bearing Co., Ltd. Takeover Offer Report", the offer has become effective.

The number of shares held by the public as a percentage of the company's total share capital is below 10%. In accordance with the Securities Law, the Shenzhen Stock Exchange Listing Rules, and other relevant regulations, the company's share distribution no longer meets the listing requirements. The company will follow the relevant procedures to delist its shares and issue corresponding announcements.

IV. Quarterly financial statements**(i) Financial statement****1. Consolidate Balance Sheet**

Prepared by Wafangdian Bearing Company Limited

Unit: RMB/CNY

Project	Ending balance	Beginning balances
Current assets		
Monetary funds	68,264,993.90	65,287,519.84
Settle the reserve fund		
Set aside funds		
Trading financial assets	240,372.81	246,536.22
Derivative financial assets		
Notes receivable	511,948,312.44	500,110,673.70
Accounts receivable	900,445,188.18	872,114,645.31
Financing of receivables	85,734,336.52	64,928,833.08
Advance payment	8,727,482.68	9,287,712.68
Premium receivable		
Reinsured accounts receivable		
Reserves receivable from reinsurance contracts		
Other receivables	16,900,535.50	10,631,908.31
Among them: Interest receivable		
Dividends receivable		
Purchase resale financial assets		
Inventory	574,434,526.76	636,325,993.85
Among them: Data resources		
Contract assets	5,258,761.24	5,258,761.24
Hold assets for sale		
Non-current assets due within one year		
Other current assets	23,411,576.89	50,298,808.19
Total current assets	2,195,366,086.92	2,214,491,392.42
Non-current assets		
Issue loans and advances		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment		
Investments in other equity instruments	8,705,393.14	8,705,393.14
Other non-current financial assets		
Investment real estate	72,530,927.17	73,919,295.42
Fixed assets	391,728,799.03	406,111,493.56
Construction in progress	11,393,541.06	10,513,430.99
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	65,429,209.57	66,301,236.59
Among them: Data resources		
Development expenditure		
Among them: Data resources		
Goodwill		
Long-term deferred expenses	6,780,423.87	6,949,581.27
Deferred income tax assets		
Other non-current assets	282,900.00	282,900.00
Total non-current assets	556,851,193.84	572,783,330.97
Total assets	2,752,217,280.76	2,787,274,723.39
Current liabilities		

Short-term borrowing		82,053,118.00
Borrow from the central bank		
Withdraw funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	50,800,397.50	370,597.50
Accounts payable	1,255,754,881.83	1,261,731,806.69
Advance receipt		
Contract liability	23,825,411.28	31,776,246.33
Funds for selling and repurchasing financial assets		
Deposit absorption and interbank placement		
Act as an agent for the trading of securities		
Act as an agent for underwriting securities funds		
Employee compensation payable	25,183,580.66	49,061,641.96
Taxes payable	5,152,819.21	8,932,707.47
Other payables	670,885,988.38	587,079,378.98
Among them: Interest payable		
Dividends payable		
Payable handling fees and commissions		
Reinsured accounts payable		
Hold liabilities for sale		
Non-current liabilities due within one year		
Other current liabilities	423,924,311.95	469,016,692.21
Total current liabilities	2,455,527,390.81	2,490,022,189.14
Non-current liabilities		
Insurance contract reserve		
Long-term borrowing		
Bonds payable		
Among them: Preferred stock		
Perpetual bond		
Lease liability		
Long-term payables	344,974.84	344,974.84
Long-term employee compensation payable		
Estimated liabilities	62,972,958.86	62,247,622.41
Deferred income	33,864,694.47	34,847,189.82
Deferred income tax liability	788,788.84	788,788.84
Other non-current liabilities		
Total non-current liabilities	97,971,417.01	98,228,575.91
Total liabilities	2,553,498,807.82	2,588,250,765.05
Owner's equity		
Equity capital	402,600,000.00	402,600,000.00
Other equity instruments		
Among them: Preferred stock		
Perpetual bond		
Capital reserve	485,691,050.47	485,691,050.47
Reduce: Inventory stocks		
Other comprehensive income	-3,201,535.21	-3,201,535.21
Special reserve	2,291,586.34	1,639,850.97
Surplus reserve	136,770,391.01	136,770,391.01
General risk preparedness		
Undistributed profit	-825,433,019.67	-824,475,798.90
Total owner's equity attributable to the parent company	198,718,472.94	199,023,958.34
Minority shareholders' equity		
Total owner's equity	198,718,472.94	199,023,958.34
Total liabilities and owner's equity	2,752,217,280.76	2,787,274,723.39

Legal Representative: Wang Jiyuan

Person in charge of accounting works: Sun Najuan

Person in charge of accounting institute: Xuan Songtao

2. Consolidated Profit Statement

Unit: RMB/CNY

item	Current period occurrence amount	Prior-period amount
I. Total operating Revenue	570,327,865.59	670,576,656.24
Among them: Operating income	570,327,865.59	670,576,656.24
Interest income		
Earned premiums		
Fee and commission income		
Ii. Total Operating Cost	578,620,784.00	688,835,994.70
Among them: Operating costs	492,686,747.02	602,753,886.40
Interest expense		
Handling fee and commission expenses		
Surrender payment		
Net compensation expenses		
Extract the net amount of insurance liability reserves		
Policy dividend expenditure		
Reinsurance fee		
Taxes and surcharges	2,589,956.99	5,389,982.47
Sales expenses	30,479,062.34	29,639,562.51
Administrative expenses	31,194,852.67	28,330,100.37
Research and development expenses	17,484,516.92	17,941,234.44
Financial expenses	4,185,648.06	4,781,228.51
Among them: Interest expense		
Interest income		
Add: Other income	1,740,623.61	3,983,024.89
Investment income (losses are indicated by a "-" sign)	4,985,357.95	6,120,034.62
Among them: Investment income from associated enterprises and joint ventures		
The gains of financial assets measured at amortized cost are derecognized		
Exchange gains (losses are indicated by a "-" sign)		
Net exposure hedging gain (losses are indicated by a "-" sign)		
Gains from changes in fair value (losses are indicated by a "-" sign)	-6,163.41	
Credit impairment loss (losses are indicated by a "-" sign)	158,158.15	266,214.00
Impairment loss of assets (losses are indicated by a "-" sign)		
Gains from asset disposal (losses are indicated by a "-" sign)	91,622.26	307,669.51
Iii. Operating Profit (Losses are indicated by a "-" sign)	-1,323,319.85	-7,582,395.44
Add: non-operating income	382,655.35	131,622.66
Decrease: Non-operating expenses	16,556.27	324,536.26
Iv. Total Profit (Total loss is indicated by a "-" sign)	-957,220.77	-7,775,309.04
Reduction: Income tax expense		
V. Net Profit (Net loss is indicated by a "-" sign)	-957,220.77	-7,775,309.04
(1) Classification by business continuity		
1.Net profit from continuing operations (Net loss is indicated by a "-" sign)	-957,220.77	-7,775,309.04
2. Net profit from termination of operations (Net loss is indicated by a "-" sign)		
(2) Classification by ownership		
1.Net profit attributable to the owners of the parent company	-957,220.77	-7,775,309.04
2. Minority shareholders' gains and losses		
Vi. Net after-tax amount of other comprehensive income		
The net after-tax amount of other comprehensive income attributable to the owners of the parent company		
(1) Other comprehensive income that cannot be reclassified		

into profit or loss		
1.Remeasure the change in the defined benefit plan		
2.Other comprehensive income that cannot be converted to profit or loss under the equity method		
3. Changes in the fair value of other equity instrument investments		
4. Changes in the fair value of the enterprise's own credit risk		
5. Others		
(2) Other comprehensive income that is reclassified into profit or loss		
1.Other comprehensive income that can be converted into profit or loss under the equity method		
2. Changes in the fair value of other debt investments		
3.The amount of financial assets reclassified and included in other comprehensive income		
4.Credit impairment provisions for other debt investments		
5. Cash flow hedging reserve		
6. Translation differences of foreign currency financial statements		
7. Others		
The net after-tax amount of other comprehensive income attributable to minority shareholders		
Vii. Total Comprehensive Income	-957,220.77	-7,775,309.04
The total comprehensive income attributable to the owners of the parent company	-957,220.77	-7,775,309.04
The total comprehensive income attributable to minority shareholders		
Viii. Earnings per Share:		
(I) Basic earnings per share	-0.0024	-0.0193
(II) Diluting earnings per share	-0.0024	-0.0193

Legal Representative:Wang Jiyuan

Person in charge of accounting works: Sun Najuan

Person in charge of accounting institute: Xuan Songtao

3. Consolidated Cash Flow Statement

Item	Current period occurrence amount	Prior-period amount
I. Cash flows generated from operating activities:		
Cash received from the sale of goods and the provision of services	183,989,282.43	226,902,601.88
Net increase in customer deposits and interbank deposits		
The net increase in borrowing from the central bank		
The net increase in funds borrowed from other financial institutions		
Cash received from the premiums of the original insurance contract		
Received net cash from reinsurance business		
Net increase in policyholders' savings and investment funds		
Cash for receiving interest, handling fees and commissions		
Net increase in borrowed funds		
Net increase in funds from the repurchase business		
Net cash received from agency trading of securities		
Tax and fee refunds received	1,967,533.59	8,110,763.01
Receive other cash related to business operations	5,998,912.23	13,094,062.54
Small amount of cash inflow from operating activities	191,955,728.25	248,107,427.43
Cash paid for purchasing goods and accepting services	37,586,381.30	68,023,957.93

Net increase in customer loans and advances		
The net increase in deposits with the central bank and interbank funds		
Cash for paying the compensation of the original insurance contract		
Net increase in funds split out		
Cash for paying interest, handling fees and commissions		
Cash for paying policy dividends		
Cash paid to and on behalf of employees	110,550,629.87	110,887,416.76
All taxes and fees paid	10,895,327.55	23,473,285.35
Pay other cash related to business operations	31,339,153.37	18,677,410.47
Small amount of cash outflow from operating activities	190,371,492.09	221,062,070.51
Net cash flows generated from operating activities	1,584,236.16	27,045,356.92
ii. Cash Flows generated from Investment Activities:		
Recover the cash received from the investment		
Cash received for obtaining investment income	1,003,528.31	1,000,000.00
Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets		1,049,200.00
Dispose of the net cash received by subsidiaries and other business units		
Receive other cash related to investment activities		
Small amount of cash inflow from investment activities	1,003,528.31	2,049,200.00
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		181,046.91
Cash paid for investment		
Net increase in pledged loans		
Obtain the net cash paid by subsidiaries and other business units		
Pay other cash related to investment activities		
A small amount of cash outflow from investing activities		181,046.91
Net cash flows generated from investment activities	1,003,528.31	1,868,153.09
iii. Cash Flows generated from financing activities:		
Absorb the cash received from investments		
Among them: The cash received by the subsidiary from absorbing the investment of minority shareholders		
Obtain the cash received from the loan		162,000,000.00
Receive other cash related to fundraising activities	83,501,517.61	61,731,015.56
Small amount of cash inflows from financing activities	83,501,517.61	223,731,015.56
Cash paid for repaying debts	82,000,000.00	162,000,000.00
Cash for distributing dividends, profits or paying interest	106,235.56	4,573,640.17
Among them: dividends and profits paid by subsidiaries to minority shareholders		
Pay other cash related to financing activities		175,424,299.91
A small amount of cash outflow from financing activities	82,106,235.56	341,997,940.08
Net cash flows generated from financing activities	1,395,282.05	-118,266,924.52
iv. The Impact of Exchange Rate Fluctuations on Cash and Cash Equivalents	-3,708.35	377,237.90
v. Net increase in cash and cash equivalents	3,979,338.17	-88,976,176.61
Add: Balance of cash and cash equivalents at the beginning of the period	63,915,460.74	160,907,298.24
vi. Balance of cash and cash equivalents at the end of the period	67,894,798.91	71,931,121.63

Unit: RMB/CNY

(ii)The first implementation of the new accounting standards from 2026 to adjust the first implementation of the financial statements at the beginning of the year related items

Applicable Not applicable

(iii) Audit report

Whether the 1st quarterly report has been audited or not

Yes No

The 1st quarterly report of the Company has not been audited.

Board of Directors of

Wafangdian Bearing Company Limited