Wafangdian Bearing Co., Ltd.
Announcement on the Restructuring of Some Daily Operating Debts Involving Related-party Transactions

I. Overview of Debt Restructuring

1.Debt restructuring gains

In order to To optimize the company's debt structure and enhance the efficiency of fund utilization, Wafangdian Bearing Co., Ltd. (hereinafter referred to as "the Company") has conducted a review of its accounts payable related to its daily operating activities for the period from January to June 2026. During this period, the Company entered into "Debt Restructuring Agreements" with 264 suppliers, including Wafangdian Bearing Precision Forging Co., Ltd. and Guanxian Shunde Bearing Co., Ltd.; through friendly negotiations, these suppliers have agreed to make concessions regarding the debts owed by the Company arising from its daily operating activities. The aforementioned transactions have generated debt restructuring gains of RMB 12,312,284.88 for the Company, of which RMB 1,599,903.86 represents gains from debt restructuring involving affiliated parties.

2. Losses from debt restructuring

Debt restructuring loss as confirmed by both parties
The Company has entered into "Debt Restructuring Agreements" with five customers, including Wafangdian Bearing Group Wind Power Bearing Co., Ltd.; through friendly negotiations, the Company has made concessions regarding the debts owed by said customers to the Company that pertain to the Company's daily operating activities. The aforementioned transactions resulted in a debt restructuring loss of RMB 1,219,760.95 for the Company, of which RMB 450,870.11 constitutes a related-party debt restructuring loss.

3. As part suppliers and customers, including Wafangdian Bearing Group Co., Ltd. and Wafangdian Bearing Precision Forging Co., LTD., are the largest shareholder of our company or its wholly-owned subsidiaries, the transactions involving this part constitute related-party transactions.

4. The proposal was reviewed and unanimously approved at the 6th meeting of the tenth board of directors of the company. During the deliberation, it involved When it

came to matters related to related-party transactions, the related directors Zhang Xinghai, Chen Jiajun ,Wang Jiyuan and Li Dong abstained from voting. The remaining 8 directors voted result: 7 in favor of the matter, no votes against and 1 abstention.

5. This motion does not need to be submitted to the company's shareholders' meeting for review and approval, nor does it constitute a major asset reorganization as defined in the "Administrative Measures for Major Reorganization of Listed Companies".

6. All the debt restructurings in this round are of a daily business nature, and there are no significant legal obstacles for the implementation by all parties.

II. Basic Information of the counterparty in Debt Restructuring

1. A total of 264 suppliers and 5 customers are involved in this debt restructuring. The debt restructuring reached between the company and related parties and the debt restructuring reached with third-party suppliers are independent and do not precondition each other, and do not constitute a package deal.

2. The counterparty to the debt restructuring has no other relationship with the company and the company's top ten shareholders in terms of property rights, business, assets, creditor's rights and debts, personnel, etc., which may or has already caused the company to tilt its interests towards it or its interests towards the company. The company conducts all debt restructurings in accordance with the principles of fairness, impartiality and equal treatment.

The basic information of the related parties is as follows:
.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 (2025) : The total assets were 8,249.91 million yuan, the net assets were 1,184.73 million yuan, the operating income was 4,099.62 million yuan, and the net profit was 31.47 million yuan (as audited).
The above related parties are not the dishonest persons subjected to execution.

III. Main Contents of the Debt Restructuring Plan and Debt Restructuring Agreement

1.Debt formation situation

After calculation by the company with 264 suppliers, the total amount of various payments for goods and project funds that the company should pay to the above-mentioned suppliers amounts to 248,046,494.68 yuan.
After the company's calculation with 5 customers, the bearing payment receivable from the above-mentioned customers of our company is 21,052,258.87 yuan.

2. The main contents of the debt restructuring plan
After communication and negotiation with the creditors, in accordance with the "Debt Restructuring Agreements" signed by our company with 264 suppliers respectively, based on the principle of mutual benefit and cooperation, the creditors agreed to waive the creditor's rights for part of the payment. The remaining payment would be paid to the creditors by the company in the form of commercial papers and bank deposits. After the creditors received the payment, the creditor's rights and debts involving the contract details between the two parties would be settled. There are no other economic disputes.
From January to June 2026, the company completed debt restructuring with suppliers for 248,046,494.68 yuan, actually paid 235,733,209.8 yuan for goods, and realized debt restructuring gains of 12,312,284.88 yuan, among which the gains from related debt restructuring were 1,599,903.86 yuan.
After communication and negotiation between the debtor and our company, in accordance with the "Debt Restructuring Agreement" signed by our company with

5 customers, based on the principle of mutual benefit and cooperation, our company agrees to waive the creditor's rights of part of the bearing payment.

From January to June 2026, the company completed debt restructuring with customers for 21,052,258.87 yuan, actually received payment for goods for 19,832,497.92 yuan, and suffered a debt restructuring loss of 1,219,760.95 yuan, among which the loss from related debt restructuring was 450,870.11 yuan.

3. There is no situation where non-cash assets are used to settle debts in this debt restructuring.

IV. Other arrangements for debt restructuring

This debt restructuring does not involve subsequent arrangements such as personnel resettlement, land leasing, or competition in the same industry.

V. Reasons, Purposes of Debt Restructuring and Its Impact on the Company

The primary reason for debt restructuring is that, influenced by the broader market environment, enterprises may experience relatively tight liquidity in the short term; to alleviate this financial pressure and accelerate cash recovery, the enterprise may reach an agreement with its suppliers and customers: when making payments to suppliers, a certain percentage of discount shall be applied; conversely, when collecting payments from customers, a corresponding percentage of discount shall be granted. The determination of these relevant discount rates is based on negotiations between both parties, within the limits that their respective operations can afford.

The company's subsequent payment arrangements are based, firstly, on the outstanding balances due by suppliers as of the settlement date, and secondly, on the actual amount of funds recovered by the company during the current period; these funds primarily represent the proceeds generated from the company's external sales of bearing products; this constitutes routine fund payment activity and does not impact the company's daily operations.

By conducting debt restructuring, the company can further clarify its creditor-debtor relationships, alleviate its funding pressures, reduce its debt burden, optimize its debt structure, and improve its financial position, thereby facilitating the company's operational development.

Pursuant to the Enterprise Accounting Standards and other relevant regulations, the net gain from this debt restructuring of RMB 11,092,523.93 shall be recognized as investment income.

VI. Explanation of Special Opinions

(1) Opinions of the Special Meeting of Independent Directors

After review, we believe that by carrying out debt restructuring, the company can further sort out its creditor-debtor relationship, optimize its debt structure, and improve its financial situation. This is conducive to promoting the company's business development and will not have a significant adverse impact on the company's financial and business conditions. There is no behavior that harms the interests of the company and its minority shareholders, and it is in line with the overall interests of the company. All independent directors agree to this matter and agree to submit the above-mentioned proposal to the company's board of directors for deliberation. When the board of directors votes on the motion, the related directors shall recuse themselves in accordance with the regulations.

VII.Documents for reference

1. Resolution of the 6^{th} Meeting of the 10th Board of Directors of Wafangdian Bearing Co., LTD.
2. Resolution of the Third special Meeting of Independent Directors in 2026
3. Overview Table of Related Party Transactions of Listed Companies.
4. Other documents required by the Shenzhen Stock Exchange.

Hereby notify

Board of directors of

Wafangdian bearing Company limited

August 24,2026