

Wafangdian Bearing Company Limited the announcement of the wholly-owned subsidiary Liaozhou company plan hand the land and land objects in the old plant to the Liao Yang City Land reserve Trading Center to be stockpiled

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.

I. Overview

Wholly-owned subsidiary of the Company –Wazhou Liaoyang Bearing Manufacturing Co., Ltd. (hereinafter referred as to Liaozhou Company) has removed to development zone in Liaoyang, the lands assets and aboveground goods, located in No.61 Weiguo Road, Baita District, Liaoyang – the former plant site, are still not being disposed. Through many times of communication with Liaoyang Land Reserves and Trading Center (hereinafter referred to as Liaoyang Land Reserves Center), in order to activate Company's assets, they agreed to restored the land assets and aboveground goods in former plant site of Liaozhou Company in principle. The lands plan to define as industrial estate in characteristic with 18,341.4 M² in total. The land certificate number Liao Guo Yong (2003) No. 01700070. Actual use of land by Wafangdian Bearing Group Corp. (hereinafter referred to as ZWZ), land aboveground goods owned by Liaozhou Company. Total amount of the land and aboveground goods is estimated as 76 million Yuan (in CNY/Yuan, hereinafter inclusive) , specific amount subject to the agreement signed between the two parties.

(i) Deliberation of the Board

The event has deliberated and approved by the 2nd extraordinary Board Meeting of 2017. And according to relevant laws and regulations as well as the Stock Listing Rules of the Shenzhen Stock Exchange, the event no need to deliberated and approved in Shareholder General Meeting of the Company.

(ii) the event does not constitute associated transactions, and material assets reorganization either regulated in Measures for the Administration of the Material Asset Restructurings of Listed Companies, and no need to deliberate and approved in relevant authorities.

II. Counterparty

Counterparty- Liaoyang Land Reserves and Trading Center

The counterparty has no any relationship with the Company and top ten shareholders of the Company in aspect of property rights, business, assets, claims and debts and personnel.

III. Target of trade

(i) information

The lands and aboveground goods, located in No.61 Weiguo Road, Baita District (Land certificate number Liao Guo Yong (2003) No. 01700070) are plans to restore:

In 10 thousand Yuan

Asset Class	Original book value	Depreciation or reserves that accrual	Net book value	Price plans to restore
Lands	478	-	-	1,200
Aboveground goods and other	3,440	2,301	1,139	6,400

Note: "other" including loss on work stoppages, pay for rear personnel and charge for loss of working time etc.

(ii) outstanding matter, contingency and legal disputes

The trading target has no mortgage, pledge and other restrictions on the transfer of rights, and no lawsuits and arbitration involved or judicial measure as seal up and freeze up either.

IV. Impact on the Company

Explanation on accounting treatment

Pursuit to relevant rules in Accounting Standards for Enterprise No.4 – Fixed Assets , Accounting Standards for Enterprise Interpretation No.3, and the relevant rules in Accounting Standards for Enterprise No.16 – Government grant, combine business nature and trading purpose, the land reserve belongs to assets sales After total reserve money deducted reproduction costs for relevant assets in new plant and relevant costs, the amount will transfer to current non-operation revenue. The final account subject to the annual audit from CPA.

V. Documents available for references

1. Resolution of 2nd extraordinary Board Meeting of 2017;
2. Resolution of 2nd extraordinary Supervisory Meeting of 2017;
3. Independent directors' opinion.

Hereby notify.

Board of director of Wa Fangdian bearing Co., Ltd
June 21,2017.