

Wafangdian Bearing Company Limited

Announcement of the bad debt write-off

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.

Wafangdian bearing co., LTD. (hereinafter referred to as the "company") held on the fourth temporary board of director in December 12, 2016, examined and passed the proposal on the bad debt write-off, the specific content is as follows:

I. The statement of the bad debt write-off

In order to reflect the company's financial situation, according to "the accounting standards for enterprises", "the notice about the listed company complete the issues such as assets depreciation reserves", "the notice about further improve the quality of financial information disclosure of listed companies", the company will clean up and write-off a part of accounts receivable which is long-term and failed to achieve recovery, other receivables and prepayment formed in business process. the specific situation report as follows:

(1) The detail of accounts receivable and prepayment written off

Items	Company name	Nature	Amount (yuan)	Provision for bad debts(yuan)	Assets decrease Losses(yuan)	Reason of write-off	Related party transaction (Y or N)
account receivable	1	payment for goods	782,420.60	391,210.30	391,210.30	Confirm the payment will not be repaid after prosecution	N
	2	Payment for goods	684,139.18	342,069.59	342,069.59	Confirm the payment will not be repaid after prosecution	N
	3	Payment for goods	3,006,264.56	1,503,132.28	1,503,132.28	The enterprise has been revoked	N
	4	Payment for goods	67,800.98	33,900.49	33,900.49	Confirm the payment will not be repaid after prosecution	N
	5	Payment for goods	77,480.61	77,480.61		Go bankrupt	N
	6	Payment for goods	162,477.73	162,477.73		Go bankrupt	N
	Other scattered customers	Payment for goods	15,634.83	6,487.15	9147.68	Several reasons lade to account difference between WBC and the clients over 2 years, WBC stop business with them, and unable to ask for payment	N
Sub-total		—	4,796,218.49	2,516,758.15	2,279,460.34		

Items	Company name	Nature	Amount (yuan)	Reason of write-off	Related party transaction (Y or N)
prepayment	1	Payment for goods	64,074.66	The acceptance check after arrival is unqualified, failed to recovered by many times, stopped trading since 2002, more than the law statute of limitations	N
	2	Payment for goods	62,000.00	The acceptance check after arrival is unqualified, failed to recovered by many times, stopped trading since 2008, more than the law statute of limitations	N
	3	Payment for goods	60,339.80	The acceptance check after arrival is unqualified, failed to recovered by many times, stopped trading since 2001, more than the law statute of limitations	N
	4	Payment for goods	57,100.00	The acceptance check after arrival is unqualified, failed to recovered by many times, stopped trading since 2008, more than the law statute of limitations	N
	5	Payment for goods	49,969.60	The acceptance check after arrival is unqualified, failed to recovered by many times, stopped trading since 2001, more than the law statute of limitations	N
	6	Payment for goods	42,000.00	The acceptance check after arrival is unqualified, failed to recovered by many times, stopped trading since 2008, more than the law statute of limitations	N
	7	Payment for goods	36,613.32	The acceptance check after arrival is unqualified, failed to recovered by many times, stopped trading since 2008, more than the law statute of limitations	N
	Other scattered customers	Payment for goods	220,386.22	Formed more than 3 years, stopped trading and more than the law statute of limitations	N
Sub-total			592,483.60		

(2) The statement of the other receivable write-off

Other receivables are expected to write off about 150 thousand Yuan, for the test product advances and untreated, such as travel expenses. (due to the testing technical standards, unable to obtain invoices; travel payment without reimbursement, no reimbursement vouchers), other receivables aging for more than three years, unable to confirm back, shall write off processing.

II. The influence of the bad debts write-off on the company

The bad debt write-off reflect the company's financial condition, conform to the requirements of the accounting standards and relevant policy, in line with the company's actual situation, does not involve companies related parties, does not harm the interests of the company and the shareholders.

III. Decision-making process

The proposal of bad debt write-off was examined and passed by the company for the fourth the temporary board of director in 2016 and fourth temporary board of supervisors in 2016, agreed to the company the bad cancel after verification. According to the provisions of the relevant laws and

regulations, the proposal of bad debt write-off does not need to submit the company shareholders' meeting for consideration.

IV.The opinion of independent directors

Board of independent director suggests that, the bad debt write-off is to ensure company's accounting standards, and other related regulations and the company actual situation, reflect the company's financial situation, the bad debt write-off is fully for the basis, does not harm the interests of the shareholders especially minority shareholders. the review procedures comply with relevant laws and regulations and the company's articles of association ,so the proposal is approved.

V. The opinion of Board of Supervisors

Board of Supervisors suggests that, according to the accounting standards for enterprises "and other relevant provisions, we carefully check the conditions of the bad debt write-off, it conform to the requirements of the relevant laws and regulations, comply with the company's financial situation, does not involve related parties, does not harm the interests of the company and shareholders. The procedure is legal; the basis is fully, accord with the actual situation of the company. so the proposal is approved.

VI、 The documents for future reference

1. Wafangdian Bearing Co., Ltd Resolutions of Board of Directors
2. Wafangdian Bearing Co., Ltd Resolutions of the Board of Supervisors.
3. The independent director independent opinion

Specially announced

Board of director of Wa Fangdian bearing
Company limited
December 13, 2016