

## **Wafangdian Bearing Company Limited Suggestive Announcement Regarding Receipt of the Takeover Offer Report**

**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.**

### **Special Note:**

1. The acquirer in this takeover offer is Wazhou Group. Wazhou Group currently holds 244 million non-tradable domestic shares of Wazhou B, representing a 60.61% equity stake. It intends to initiate a general offer to all shareholders holding unrestricted tradable shares for the purpose of terminating the listing status of Wazhou B. The number of shares to be acquired under the offer is 158,600,000 shares, accounting for 39.39% of Wazhou B's total share capital, at an offer price of HKD 2.86 per share.

At 15:00 on the last trading day of the validity period of this tender offer, the number of pre-accepted public shares of Wazhou B temporarily held by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (hereinafter referred to as "CSDC Shenzhen") exceeded 39,050,000 shares. If the proportion of public shares held by Wazhou B to the total share capital is less than 10% after the acquisition, according to the provisions of the "Stock Listing Rules of the Shenzhen Stock Exchange", Wazhou B will no longer meet the listing conditions, and then this tender offer will take effect.

At 15:00 on the last trading day of the validity period of this tender offer, if the number of pre-accepted public shares of Wazhou B temporarily held by China Securities Depository and Trading Corporation Shenzhen is less than 39,050,000 shares, that is, the proportion of public shares held by Wazhou B to the total share capital is still higher than 10%, then this full tender offer will not take effect from the very beginning, and the original pre-accepted application will no longer be valid. China Securities Depository and Clearing Corporation Shenzhen automatically lifted the temporary custody of the corresponding shares.

The duration of this takeover offer is a total of 39 calendar days, specifically from January 20, 2026, to February 27, 2026, unless a competing offer arises.

2. On December 17, 2025, the Company received the "Summary of the Takeover Offer Report for Wafangdian Bearing Co., Ltd." issued by Wazhou Group. For specific details, please refer to the "Announcement on the Receipt of the Summary of the Takeover Offer Report and the Resumption of Trading." (Announcement No.: 2025-037) released by the Company on Juchao Information Network (<http://www.cninfo.com.cn>) and Securities Times on December 18, 2025. Recently, the Company received the "Takeover Offer Report" from Wazhou Group. The specific details are now announced as follows:

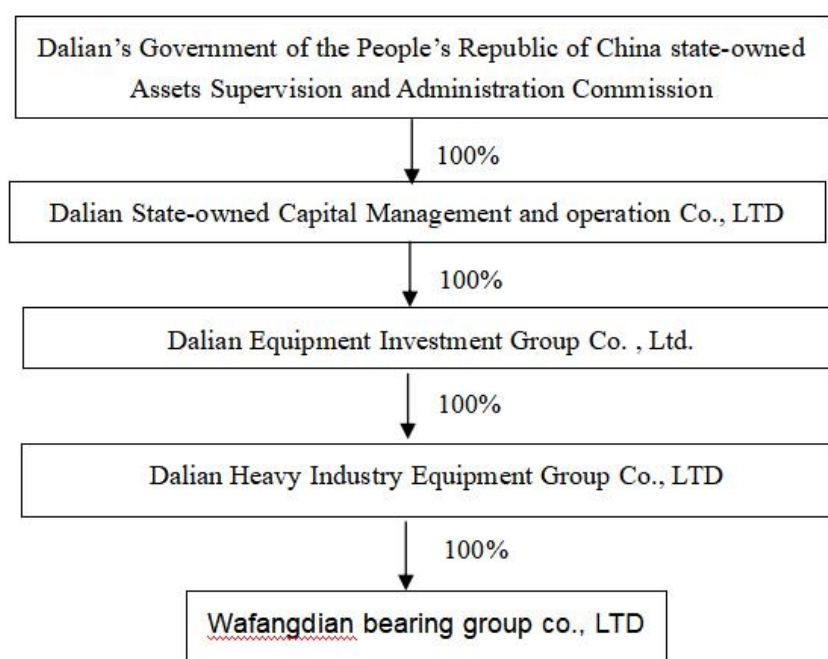
## I. Overview of the Takeover Offer Report

### 1. Basic Information of the Acquirer

Name of the acquirer	Wafangdian Bearing Group Co., LTD
Registered address	No. 1, Section 1, North Gongji Street, Wafangdian City, Liaoning Province
Main office location	No. 1, Section 1, North Gongji Street, Wafangdian City, Liaoning Province
Legal representative	Meng Wei
Registered capital	519,869,400 yuan
Unified social credit code	91210200242386663D
Business term	from 1995-12-22 to 2045-12-22
Company type	Limited liability company
Postal Code	116300
Contact number	0411-62198238
Business scope	Import and export of goods, import and export of technology (Projects subject to approval in accordance with the law can only be carried out after approval by relevant departments. The specific business items are subject to the approval results) General items: Manufacturing of bearings, gears and transmission components, sales of bearings, gears and transmission components, manufacturing of metal tools, sales of metal tools, manufacturing of special equipment (excluding manufacturing of licensed professional equipment), research and development of mechanical equipment, sales of mechanical equipment, manufacturing of non-metallic mineral products, sales of non-metallic minerals and products, casting of ferrous metals, casting of non-ferrous metals, manufacturing of automotive parts and accessories Retail of auto parts, wholesale of auto parts, manufacturing of railway locomotive and

	rolling stock parts, sales of railway locomotive and rolling stock parts, industrial design services, repair of general equipment, technical services, technical development, technical consultation, technical exchange, technical transfer and technical promotion, sales of metal materials, housing rental, non-residential real estate rental, mechanical equipment rental.
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As of the date of signing the "Takeover Offer Report", the equity control relationship of the acquirer is as shown in the figure:



## 2. Purpose of the takeover Offer

In recent years, due to impacts from the global economic recession and economic structural adjustments, Wazhou B has suffered consecutive annual losses, with its operating conditions progressively deteriorating. Since the beginning of 2025, compounded by multiple adverse factors, the company's operations have faced further restrictions, and its future financial risks have continued to escalate. If this trend persists, the company's operational risks are bound to intensify. Taking all factors into consideration, as the controlling shareholder of Wazhou B, Wazhou Group, with the aim of comprehensively safeguarding the interests of Wazhou B's shareholders and demonstrating the responsibility of a state-owned enterprise, plans to initiate a general takeover offer to all shareholders holding unrestricted tradable shares for the purpose of terminating the listed status of Wazhou B.

## 3. Decision-Making and Approval Procedures Completed for This Transaction

On November 17, 2025, the Party Committee of Wazhou Group decided to initiate the voluntary delisting process for Wazhou B. The matter was submitted by Heavy Industry Equipment Group to

the State-owned Assets Supervision and Administration Commission of Dalian City (SASAC Dalian) for approval, and on November 25, consent was received from SASAC Dalian to proceed with the voluntary delisting process of "Wazhou B."

On December 16, 2025, the Board of Directors of Wazhou Group reviewed and approved the resolution to launch this takeover offer, authorizing the Chairman to sign the Summary of the Takeover Offer Report.

On December 29, 2025, Heavy Industry Equipment Group issued the "Shareholder Resolution," approving the matters related to this general takeover offer. On the same day, the State-owned Assets Supervision and Administration Commission of Dalian City issued the "Approval on Wazhou Group's General Takeover Offer for the Circulating Shares of Wafangdian Bearing Co., Ltd. for the Purpose of Delisting."

On December 30, 2025, upon confirmation by China Securities Depository and Clearing Corporation Limited, Wazhou Group completed the opening of a temporary B-share trading account.

As of the date of signing this report, the acquirer has completed all necessary decision-making procedures for this takeover offer.

#### **4. Whether the Acquirer Plans to Further Increase Its Holdings in the Listed Company's Shares Within the Next Twelve Months**

As of the date of signing this report, apart from this takeover offer and the plan to acquire the remaining shares from shareholders intending to sell, the acquirer currently has no plans to further increase its holdings within the next 12 months. Should any relevant changes in equity occur in the future, the acquirer will strictly comply with relevant regulations to fulfill its information disclosure obligations.

This takeover offer aims to terminate the listing status of Wazhou B. Upon the expiration of the offer period, if the proportion of publicly held shares of Wazhou B to its total share capital falls below 10%, Wazhou B will no longer meet the listing requirements in accordance with the provisions of the Shenzhen Stock Exchange Listing Rules. In such a scenario, Wazhou B will be delisted.

Following the delisting, the acquirer may, in accordance with the law, adopt lawful and effective measures that could potentially eliminate the independent legal entity status of Wazhou B. Relevant subsequent arrangements will be announced separately after the delisting of Wazhou B, based on the actual circumstances of the company. Investors are advised to pay attention to investment risks.

#### **5. Conditions for the Effectiveness of the takeover Offer**

This takeover Offer is conditioned on Wazhou B's equity distribution meeting the Shenzhen Stock Exchange delisting requirements. If, upon the expiration of this general takeover Offer, the number of Wazhou B's publicly held shares tendered exceeds 39,050,000 shares—meaning that the proportion of Wazhou B's publicly held shares to its total share capital falls below 10% after the acquisition—then this takeover Offer will become effective. Conversely, if, upon expiration, the

number of Wazhou B's publicly held shares tendered is less than 39,050,000 shares—meaning the proportion of Wazhou B's publicly held shares to its total share capital remains above 10%—then this general takeover Offer will be ineffective from the outset. Any prior acceptances will no longer be valid, and China Securities Depository and Clearing Corporation Limited Shenzhen Branch will automatically release the temporary custody of the corresponding shares.

## 6. Details of the Shares Subject to This takeover Offer

According to Article 26 of the "Administrative Measures for the Acquisition of Listed Companies", The shares subject to this takeover Offer are the Wazhou B shares held by shareholders other than the acquirer. The quantity of shares under the offer is as follows:

Types of shares	Offer price	Quantity of takeover Offer (shares)	The proportion of the total share capital
Unrestricted tradable shares (B shares)	2.86 Hong Kong dollar/share	158,600,000	39.39%

In accordance with relevant regulations such as the Securities Law and the Acquisition Measures, the offer price for this takeover Offer and its calculation basis are as follows: The arithmetic average of Wazhou B's daily volume-weighted average prices over the 30 trading days prior to the announcement date of the summary of this takeover Offer report is 2.86 Hong Kong dollars per share. During the six months preceding the announcement date of the summary of this takeover Offer report, the acquirer did not engage in any trading of Wazhou B's shares. After comprehensive consideration, The closing price on the day prior to the announcement date of the summary of this takeover offer report was HKD 2.86 per share. the acquirer has determined the offer price to be 2.86 Hong Kong dollars per share.

If Wazhou B undertakes any corporate actions such as dividend distributions, bonus share issues, or capital reserve conversions into share capital (events involving ex-rights or ex-dividends) between the announcement date of the summary of this takeover Offer report and the expiration date of the takeover Offer period, the offer price will be adjusted accordingly.

## 7. Details Regarding the Funds for the takeover Offer

Based on the offer price of 2.86 Hong Kong dollars per share, the maximum total funds required for this takeover Offer amount to 453,596,000 Hong Kong dollars.

In accordance with the requirements of relevant laws and regulations, Wazhou Group will deposit no less than 90,720,000 Hong Kong dollars (i.e., no less than 20% of the maximum total funds required for this takeover Offer) into the designated account of China Securities Depository and Clearing Corporation Limited Shenzhen Branch within two trading days after disclosing the "Summary of the takeover Offer Report," as a performance guarantee for this takeover Offer.

The funds required for this takeover Offer are sourced from the acquirer's own funds or self-raised funds, and are not obtained directly or indirectly from Wazhou B or its affiliated entities, ensuring

legality. There is no scenario where the shares acquired in this takeover Offer are pledged to banks or other financial institutions for financing. The acquirer possesses the performance capability required for this takeover Offer.

Upon the expiration of the takeover Offer period, the acquirer will confirm the acquisition results based on the quantity of pre-accepted tender shares held in temporary custody by China Securities Depository and Clearing Corporation Limited Shenzhen Branch and fulfill the takeover Offer in accordance with the offer conditions.

#### **8. Duration of the takeover Offer**

The duration of this takeover offer is 39 calendar days, specifically from January 20, 2026, to February 27, 2026, unless a competing offer arises.

The duration of this takeover Offer is 30 calendar days, unless a competing offer arises. For specific dates of the takeover Offer period, please refer to the relevant content in the full version of the takeover Offer report to be announced subsequently. Within the last three trading days prior to the expiration of the takeover Offer period, shareholders who have pre-accepted the offer may not withdraw their acceptance.

During the takeover Offer period, investors can inquire about the quantity of shares pre-accepted under the takeover Offer and the quantity of shares for which pre-acceptance has been withdrawn as of the previous trading day on the Shenzhen Stock Exchange website (<http://www.szse.cn/>).

#### **II. Other Explanatory Notes**

The above is only part of the content of this tender offer. For details, please refer to the "Takeover Offer Report of Wafangdian Bearing Co., Ltd." disclosed on the same day as this announcement on the website of Juchao information network (<http://www.cninfo.com.cn>) and securities times. The acquirer has, in accordance with the Acquisition Measures, engaged financial advisors and legal counsel to prepare a financial advisor report and a legal opinion for this takeover offer. These documents, together with this announcement and the takeover offer report, are disclosed on the Juchao Information Network (<http://www.cninfo.com.cn/>). Investors are kindly advised to pay attention to them. We urge all investors to invest rationally and remain mindful of the risks.

#### **III. Reference Documents**

1. Takeover Offer Report of Wafangdian Bearing Co., Ltd.

**Hereby notify**

**Board of directors of  
Wafangdian bearing Company limited  
January 16, 2026**