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溫嶺浙江工量刃具交易中心股份有限公司

Wenling Zhejiang Measuring and Cutting Tools Trading Centre Company Limited*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1379)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

| | For the year ended 31 December | | |
|---|---------------------------------------|-------------|---------------|
| | 2024 | 2023 | Change |
| Revenue (<i>RMB'000</i>) | 68,814 | 96,802 | (28.9%) |
| Gross profit (<i>RMB'000</i>) | 55,451 | 63,747 | (13.0%) |
| Gross profit margin | 80.6% | 65.9% | 14.7 |
| Profit for the year (<i>RMB'000</i>) | 15,070 | 27,210 | (44.6%) |
| Net profit margin | 21.9% | 28.1% | (6.2) |
| Basic and diluted earnings per share (<i>RMB</i>) | 0.19 | 0.34 | (44.1%) |

The Board has recommended the payment of a final dividend of RMB0.23 (before tax) per share for the year ended 31 December 2024 (2023: RMB0.23 per share).

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Wenling Zhejiang Measuring and Cutting Tools Trading Centre Company Limited* (溫嶺浙江工量刃具交易中心股份有限公司) (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024, together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

| | | 2024 | 2023 |
|--|------|----------------------|-----------------|
| | Note | RMB'000 | RMB'000 |
| Revenue | 3 | 68,814 | 96,802 |
| Cost of sales | | <u>(13,363)</u> | <u>(33,055)</u> |
| Gross profit | | 55,451 | 63,747 |
| Valuation losses on investment properties | 9 | (24,222) | (20,867) |
| Other net income | 4 | 35 | 2,818 |
| Selling and marketing expenses | | (888) | (822) |
| Administrative expenses | | <u>(8,966)</u> | <u>(9,886)</u> |
| Profit from operations | | 21,410 | 34,990 |
| Share of losses of an associate | | <u>(440)</u> | <u>(497)</u> |
| Profit before taxation | 5 | 20,970 | 34,493 |
| Income tax | 6 | <u>(5,900)</u> | <u>(7,283)</u> |
| Profit for the year | | <u>15,070</u> | <u>27,210</u> |
| Other comprehensive income for the year | | <u>—</u> | <u>—</u> |
| Total comprehensive income for the year | | <u>15,070</u> | <u>27,210</u> |
| Earnings per share | 8 | | |
| Basic and diluted (RMB) | | <u>0.19</u> | <u>0.34</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2024

| | | 2024 | 2023 |
|--|------|------------------|------------------|
| | Note | RMB'000 | RMB'000 |
| Non-current assets | | | |
| Investment properties | 9 | 1,009,000 | 1,031,600 |
| Property, plant and equipment | | 7,146 | 7,320 |
| Lease prepayments | | 490 | 513 |
| Interest in an associate | | 6,803 | 7,243 |
| Other non-current assets | | 5,464 | 5,746 |
| | | <u>1,028,903</u> | <u>1,052,422</u> |
| Current assets | | | |
| Amounts due from an associate | | 186 | 201 |
| Trade and other receivables | | 176 | 1,038 |
| Prepayments | | 419 | 952 |
| Land appreciation tax and income tax prepaid | | 106 | 1,134 |
| Cash and cash equivalents | | 86,386 | 74,437 |
| | | <u>87,273</u> | <u>77,762</u> |
| Current liabilities | | | |
| Other payables and accruals | | 24,752 | 18,970 |
| Contract liabilities | | 2,067 | 1,472 |
| Receipts-in-advance, current | | 52,156 | 52,400 |
| Current taxation | | 8,697 | 11,507 |
| | | <u>87,672</u> | <u>84,349</u> |
| Net current liabilities | | <u>(399)</u> | <u>(6,587)</u> |
| Total assets less current liabilities | | <u>1,028,504</u> | <u>1,045,835</u> |

| | 2024 | 2023 |
|----------------------------------|-----------------------|-----------------------|
| <i>Note</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Non-current liabilities | | |
| Receipts-in-advance, non-current | 49,599 | 63,939 |
| Other long-term payables | 3,786 | – |
| Deferred tax liabilities | 173,310 | 176,757 |
| | 226,695 | 240,696 |
| NET ASSETS | 801,809 | 805,139 |
| CAPITAL AND RESERVES | | |
| Share capital | 80,000 | 80,000 |
| Reserves | 721,809 | 725,139 |
| TOTAL EQUITY | 801,809 | 805,139 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company was formerly named as Wenling City Wenxi Measuring and Cutting Tools Trading Centre Company Limited. (溫嶺市溫西工量刃具交易中心有限公司), which was established as a limited liability company incorporated in Wenling City, Zhejiang Province in the People's Republic of China (the “PRC”) on 14 May 2003. The principal activity of the Company and its subsidiaries is property leasing.

On 3 May 2018, the Company was converted into a joint stock limited liability company with a registered capital of RMB60,000,000 in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited. Upon completion of this conversion, the Company changed its name to Wenling Zhejiang Measuring and Cutting Tools Trading Centre Company Limited (溫嶺浙江工量刃具交易中心股份有限公司).

On 30 December 2020, the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited and issued 20,000,000 new ordinary shares.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group's interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for investment properties which are stated at its fair value.

The consolidated financial statements have been prepared assuming the Group will continue as a going concern notwithstanding the fact that the Group had net current liabilities of RMB399,000 as at 31 December 2024. As at 31 December 2024, the Group had banking facilities of RMB233,000,000 from a third-party bank, of which the unutilized amount was RMB233,000,000. The drawdown of the credit facilities is subject to the terms and conditions of each agreement. The directors are of the opinion that, based on a detailed review of the working capital forecast of the Group for the twelve-month period from 1 January 2025 to 31 December 2025, the Group will take necessary measures, including drawdown of additional loans from the presently available banking facilities, to ensure the Group will have necessary liquid funds to repay its debts as and when they fall due, and to finance its working capital and capital expenditure requirements.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* (“**2020 amendments**”) and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* (“**2022 amendments**”)
- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follow:

| | <i>Note</i> | 2024 RMB'000 | 2023 <i>RMB'000</i> |
|---|-------------|-------------------------------|------------------------|
| Revenue from contracts with customers within the scope of HKFRS 15 | | | |
| – Sales of completed properties | (i) | – | 28,195 |
| – Property management service income and others | | <u>4,055</u> | <u>3,632</u> |
| | | <u>4,055</u> | <u>31,827</u> |
| Revenue from other sources | | | |
| – Property leasing | (i) | <u>64,759</u> | <u>64,975</u> |
| Total | | <u>68,814</u> | <u>96,802</u> |

Disaggregation of revenue from contracts with customers by timing of revenue recognition is as follows:

| | 2024 RMB'000 | 2023 <i>RMB'000</i> |
|-------------------------------|-------------------------------|------------------------|
| – Point in time | | |
| Sales of completed properties | – | 28,195 |
| – Overtime | | |
| Others | <u>4,055</u> | <u>3,632</u> |
| Total | <u>4,055</u> | <u>31,827</u> |

(i) During the year, the Group's revenue mainly consist of revenue from property leasing.

For the year ended 31 December 2024, no customer's revenue exceeds 10% of the Group's revenue (for the year ended 31 December 2023, revenue from one customer of the property development has exceeded 10% of the Group's revenue).

The Group has applied the practical expedient in paragraph 121(a) of HKFRS 15 to its provision of property management services such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for provision of property management services that have an original expected duration of one year or less.

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied) as at 31 December 2024 and the expected timing of recognizing revenue are as follows:

| | Property management services RMB'000 |
|-----------------|---|
| Within one year | <u><u>2,067</u></u> |

4 OTHER NET INCOME

| | 2024 RMB'000 | 2023 RMB'000 |
|------------------------------------|-------------------------|-------------------------|
| Interest income from bank deposits | 120 | 234 |
| Government grants | 2 | 2,688 |
| Net exchange loss | <u>(87)</u> | <u>(104)</u> |
| Total | <u><u>35</u></u> | <u><u>2,818</u></u> |

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Staff costs

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Salaries, wages and other benefits | 3,604 | 3,652 |
| Contributions to the PRC local retirement schemes | <u>840</u> | <u>857</u> |
| | <u><u>4,444</u></u> | <u><u>4,509</u></u> |
| Included in: | | |
| Cost of services | 2,249 | 2,288 |
| Administrative expenses | <u>2,195</u> | <u>2,221</u> |
| | <u><u>4,444</u></u> | <u><u>4,509</u></u> |

Pursuant to the relevant labour rules and regulations in the PRC, the Company and its subsidiaries in the PRC participate in defined contribution retirement benefit schemes (the “**Defined Contribution Schemes**”) organised by the local government authorities whereby the Company and its subsidiaries in the PRC are required to make contributions to the Schemes based on certain percentages of the eligible employee’s salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.

The Group has no other obligation for the payment of retirement and other post-retirement benefits of employees other than the contributions described above.

The Group’s contributions to the Defined Contribution Scheme vest fully with the employees upon such contributions being made and there are no forfeited contributions under the Defined Contribution Scheme that would be used by the Group to reduce the existing level of contributions.

(b) Other items

| | 2024 RMB'000 | 2023 RMB'000 |
|---------------------------------------|-----------------|-----------------|
| Depreciation | | |
| – owned property, plant and equipment | 561 | 382 |
| – lease prepayments | 23 | 23 |
| | <u>584</u> | <u>405</u> |
| Expenses related to short-term leases | <u>–</u> | <u>381</u> |
| Auditor's remuneration | <u>1,000</u> | <u>1,000</u> |
| Cost of inventories | <u>–</u> | <u>21,023</u> |

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

| | 2024 RMB'000 | 2023 RMB'000 |
|--|-----------------|-----------------|
| Current tax | | |
| – PRC CIT | 9,033 | 11,634 |
| – Over-provision in respect of prior years | (1,564) | (1,248) |
| – Under/(over) provision in PRC LAT | 1,878 | (128) |
| | <u>9,347</u> | <u>10,258</u> |
| Deferred tax | | |
| – PRC CIT | (3,163) | (3,148) |
| – PRC LAT | (284) | 173 |
| | <u>(3,447)</u> | <u>(2,975)</u> |
| | <u>5,900</u> | <u>7,283</u> |

(b) **Reconciliation between tax expense and accounting profit at applicable tax rates:**

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Profit before taxation | 20,970 | 34,493 |
| Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned | 5,243 | 8,623 |
| Over-provision in respect of prior years | (1,564) | (1,248) |
| Tax effect of non-deductible expenses | 24 | 4 |
| Deferred tax liabilities not recognised in prior year | 789 | – |
| LAT | 1,878 | (128) |
| Tax effect of LAT | (470) | 32 |
| Actual tax expense | <u>5,900</u> | <u>7,283</u> |

(i) The Company and its subsidiaries in the PRC are subject to PRC statutory income tax at 25%.

7 DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the year:

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Final dividend proposed after the statement of financial position date of RMB0.23 (2023: RMB0.23) per ordinary share | <u>18,400</u> | <u>18,400</u> |

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year.

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Final dividend in respect of the previous financial year, approved and paid during the year | <u>18,400</u> | <u>16,000</u> |

The directors consider that the dividends declared and approved during the year ended 31 December 2024 are not indicative of the future dividend policy of the Group.

8 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year of RMB15,070,000 (2023: RMB27,210,000) and the weighted average of 80,000,000 ordinary shares in issue (2023: 80,000,000 shares) during the year.

The Company did not have any potential ordinary shares outstanding during the year. Diluted earnings per share is equal to basic earnings per share.

9 INVESTMENT PROPERTIES

| | Completed investment property RMB'000 |
|--|--|
| At 1 January 2023 | 1,047,500 |
| Additions | 4,967 |
| Fair value adjustments | <u>(20,867)</u> |
| At 31 December 2023 and 1 January 2024 | 1,031,600 |
| Additions | 1,622 |
| Fair value adjustments | <u>(24,222)</u> |
| At 31 December 2024 | <u><u>1,009,000</u></u> |

Fair value adjustments of investment properties are recognised in the line item “Valuation losses on investment properties” on the face of the consolidated statement of profit or loss and other comprehensive income.

10 COMMITMENTS

Capital commitments outstanding at 31 December 2024 not provided for in the financial statements were as follows:

| | 2024 RMB'000 | 2023 RMB'000 |
|----------------|---------------------|-------------------|
| Contracted for | <u><u>1,007</u></u> | <u><u>824</u></u> |

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Measuring and cutting tools refer to those tools or products which are used in the machine manufacturing process for measuring and cutting or as auxiliaries for measuring and cutting. They mainly include measuring tools, cutting tools, and other tools. High-quality measuring and cutting functioning are important for manufacturing process for improving production efficiency and reducing the probability of systematic error.

According to the National Bureau of Statistics of the PRC, the Gross Domestic Product (GDP) of the PRC grew by 5.0% in 2024 as compared with the previous year. Under the background of sluggish recovery of global economy and complex geopolitical changes, the PRC's manufacturing industry has demonstrated strong resilience and structural upgrading and continued to consolidate its position as the "global manufacturing hub". The innovation capacities in fields such as high-end equipment and artificial intelligence were further enhanced, emerging industries such as bio-manufacturing and robotics grew rapidly, and a number of technology-intensive products with high added value continued to emerge, leading to further optimization and upgrading of the industrial structure.

In 2024, the value added of the industries above the designated size grew by 5.8% year-on-year, a strong momentum in industrial production. Equipment manufacturing industry and high-tech manufacturing industry were the core drivers, with the value added of the former increasing by 7.7% year-on-year and the latter growing at a rate of 8.9%, much higher than the overall industrial level, indicating an accelerated shift towards high-end and intelligent industrial structures.

In 2024, Wenling City's GDP was RMB 141.76 billion, representing a year-on-year increase of 6.3% at comparable prices. Taizhou City, known as the PRC's "Capital of Manufacturing", serves as an advanced manufacturing base in the Yangtze River Delta region. In the field of precision manufacturing, particularly in CNC machine tools, Taizhou boasts a solid industrial foundation. The measuring and cutting tools industry is one of the four leading industries in Wenling City, home to the largest sales network for measuring and cutting tools within the country. Wenling, as the national trading centre for measuring and cutting tools, saw a slight decline of 1.61 points in its price index over the year. However, the prices of cutting tool products such as threading tools and turning tools, bucked the trend and rose, reflecting strong market demand for high-end products.

Measuring and cutting tools industry which are fundamental for manufacturing industry, its development is closely related to the macro-manufacturing industry. In recent years, thanks to the strong demand of the PRC's manufacturing industry and the efforts by measuring and cutting tools industry in the technical innovation and product quality improvement, rapid growth was seen in the measuring and cutting tools market in the PRC. However, with the restructuring and upgrading of domestic manufacturing industry, the rapid development of high-end equipment manufacturing industry, and the country's increasing emphasis on the enhancement of industrial infrastructure capacity, the PRC's measuring and cutting tools manufacturers have begun to accelerate the elimination of obsolete production capacity and promote the deep integration of the real economy and the digital economy, as well as high-quality products in bulk supply.

In 2024, the market exhibited a competitive landscape where leading enterprises set the pace, while small and medium-sized enterprises adopted differentiated strategies. Leading enterprises consolidated their advantages through technological innovation, while small and medium-sized enterprises competed for market share in the mid-to-low-end markets with pricing strategies. In the short term, fluctuations in upstream raw material prices and uncertainties in the global supply chain continued to exert pressure on corporates to make profits. Nevertheless, policy incentives and technological trends created new opportunities for the industry. Over the next five years, high-end cutting tools, intelligent measuring tools, and other niche segments are expected to become the main drivers of growth, with market becoming more concentrated than ever.

BUSINESS REVIEW

The Group is an established measuring and cutting tools trading centre operator in China. The Company was founded in 2003 and owns, operates and manages the four-storey trading centre located in Qianyangxia Village, Wenqiao Town, Wenling City, Zhejiang Province, the PRC* (中國浙江省溫嶺市溫嶠鎮前洋下村) (the “**Trading Centre**”). The Trading Centre is essentially for product displaying and trading purposes, such that it primarily targets to provide units for the tenants to display, trade and promote their measuring and cutting tools products to their downstream customers. In October 2022, the Group's newly invested science and technology innovation park (the “**Science and Technology Innovation Park**”) located in Chenshan Village, Wenqiao Town, Wenling City, Zhejiang Province, the PRC* (中國浙江省溫嶺市溫嶠鎮琛山村) has been officially put into service, and expanded the property leasing business in the measuring and cutting tools industry to provide more value-added services.

The Group is committed to leveraging the advantages of “market + industry” to accelerate the transformation and rise of the measuring and cutting tools industry. The Group’s principal business activities and sources of revenue are from the operation of the property leasing business of the Trading Centre and the Science and Technology Innovation Park and the disposal of part of the Science and Technology Innovation Park units. For the year ended 31 December 2024, there is no material changes in the business of the Group, while our revenue and profit for the period decreased by approximately 28.9% and 44.6% respectively as compared with the corresponding period of last year, mainly because of (i) a decrease in revenue from sales of completed properties as the Group did not sell property for the year ended 31 December 2024 as compared with the revenue from sales of completed properties of approximately RMB28.2 million for the year ended 31 December 2023; (ii) an increase in valuation losses on investment properties from approximately RMB20.9 million for the year ended 31 December 2023 to approximately RMB24.2 million for the year ended 31 December 2024 as a result of the decrease in the comparable market rents and land use rights terms; and (iii) a decrease in other net income of approximately RMB2.8 million in relation to decrease in government grants

Trading Centre

Our Trading Centre is a four-storey commercial complex with basement with a total gross floor area (“GFA”) of approximately 74,204.7 sq.m., of which a total GFA of approximately 71,817.5 sq.m. is held for leasing to our tenants for their trading and products displaying purpose and a total GFA of approximately 2,387.2 sq.m. is held for our own offices. The land use rights of the Trading Centre were granted for a term expiring on 15 November 2046, which is a long-term lease, for commercial uses. As at 31 December 2024, the value of the Trading Centre was RMB 829.0 million (31 December 2023: RMB845.7 million), the interest of which is wholly-owned by the Group.

We lease the units on the first and the second floors to corporations and individuals selling measuring and cutting tools. We designate part of the third floor as the electronic business park for leasing to the measuring and cutting tools e-commerce business operators. We use the fourth floor as our office, and the basement as the car park. We also provide property management service and support services, namely the Wenling•China Measuring and Cutting Tools index (溫嶺•中國工量刃具指數) and the measuring and cutting tools financing service, to the tenants. As at 31 December 2024, our Trading Centre had 615 tenants (31 December 2023: 617 tenants).

The following table sets forth the information regarding the average monthly effective rent per square meter for the leased area in the Group's Trading Centre for each of the years.

| | For the year ended | |
|--------------|---------------------------|-----------------------|
| | 31 December | |
| | 2024 | 2023 |
| | Average | Average |
| | monthly | monthly |
| | effective rent | effective rent |
| | (in RMB | (in RMB |
| | per sq.m.) | per sq.m.) |
| First floor | 373.2 | 372.9 |
| Second floor | 193.8 | 193.6 |
| Third floor | 62.8 | 65.0 |
| Basement | 17.1 | 17.1 |

Note:

Average monthly effective rent is calculated by total rental income divided by the weighted average leasable floor area ("LFA") leased during the periods indicated.

For the year ended 31 December 2024, the lease floor area of the Trading Centre and the percentage of LFA leased to our tenants are 24,092.68 sq.m. and 94.3% (for the year ended 31 December 2023: 25,390.6 sq.m. and 98.11%), respectively. The LFA leased is calculated as the percentage of LFA retained and leased by the Group to the tenants to the LFA for each of the periods.

In March 2024, the Trading Centre was selected as a "2024 National-Level Intellectual Property Protection Standardized Market Cultivation Candidate" and earned its first Five-Star Specialised Market Accreditation at the provincial level in Zhejiang. It had also won the honors of "Zhejiang Provincial Party Building Demonstration Site for Specialised Markets", "Advanced Unit in Commodity Market Innovation Work for 2023", "Outstanding Management Entity in Taizhou City's Commodity Market for 2023" and "Top 10 Taxpayers" awarded by Wenqiao Town People's Government.

Science and Technology Innovation Park

In December 2018, the Group successfully won the bid for the Land at the bid price of RMB63.5 million for the construction of the Science and Technology Innovation Park. The land use rights of the Science and Technology Innovation Park were granted for a term expiring on 27 January 2069, which is a long-term lease. The floor area of the Science and Technology Innovation Park shall be approximately 116,000 sq.m., including a factory floor area of approximately 78,000 sq.m. and involving 13 standard factories and 2 integrated administration buildings. The Science and Technology Innovation Park is mainly for manufacturing purpose that it targets to provide units for use as factories and workshops, where upstream manufacturers would conduct manufacturing and production of measuring and cutting tools (as compared with our Trading Centre where tenants therein primarily use the units as shops to conduct product display, trading and promotion).

The Science and Technology Innovation Park commenced operation in October 2022, with the planning concept of “Product-Trade Integration, Platform services, Ecosystem Innovation” in mind, laying out innovation chains, capital chains and service chains revolving around the industry chain, boosting characteristic industries and nurturing upcoming enterprises. In addition, we facilitate financing service as well as professional support to the tenants’ manufacturing business.

As at 31 December 2024, the fair value of the Science and Technology Innovation Park was approximately RMB180.0 million (31 December 2023: RMB 185.9 million), the interest of which was wholly-owned by the Group.

As at 31 December 2024, we have introduced a total of 19 enterprises for the Science and Technology Innovation Park (31 December 2023: 14). The following table sets forth the information regarding the average monthly effective rent per square metre for the leased area in the Science and Technology Innovation Park for the periods.

| | For the year ended | |
|-------------|---------------------------|-----------------------|
| | 31 December | |
| | 2024 | 2023 |
| | Average | Average |
| | monthly | monthly |
| | effective rent | effective rent |
| | (in RMB | (in RMB |
| | per sq.m.) | per sq.m.) |
| Factories | 15.5 | 15.5 |
| Dormitories | 20.2 | 34.9 |
| Basement | 20.9 | 20.9 |

Note:

Average monthly effective rent is calculated as total rental income divided by the weighted average leasable floor area (“LFA”) leased during the periods indicated.

For the year ended 31 December 2024, the LFA of the Science and Technology Innovation Park and the percentage of LFA leased to our tenants are 56,365.90 sq.m. and 68.6% (for the year ended 31 December 2023: 37,877.82 sq.m. and 64.8%), respectively. The LFA leased is calculated as the percentage of LFA retained and leased by the Group to the tenants to the LFA for each of the periods.

Measuring and Cutting Tools Industry Innovation Service Complex

The Group has comprehensively utilised the advantages of industrial investment platforms such as the Zhejiang Measuring and Cutting Tools Trading Centre and the Wenling City Measuring and Cutting Tools Science and Technology Innovation Park to establish an innovation service complex for the measuring and cutting tools industry centered on research and development. The complex is a one-stop service platform integrating elements and resources such as new coating material research and development, results transformation, entrepreneurship incubation, talent introduction and cultivation, and technological transformation.

In 2024, measuring and cutting tools complex continued to focus on regional industrial innovation needs, integrating various innovation resources to promote high-quality development of measuring and cutting tools industry. As of now, the complex has served 662 enterprises, resolved 56 technical challenges, launched 34 industrial and academic collaboration projects, and offered services covering standardization, certification and accreditation, inspection and testing, quality management, intellectual property, and brand cultivation nearly 100 times. Its clients include outstanding enterprises such as Xinlei (鑫磊), Zhongma (中馬), Meiji Machinery (美機) and Feiyue Electromechanics (飛越機電).

In April 2024, the complex organised a PVD coating technology exchange event with the Ningbo Institute of Materials Technology & Engineering, actively exploring new collaboration models and mechanisms to inject fresh vitality and momentum into the future development of PVD coating technology. It participated in the 2024 “Ten Chains, Hundred Venues, Ten Thousand Enterprises” launch event, releasing supply lists for PVD and DLC coating services, as well as customised non-standard services for the E.HAWK (霍克) series products.

Cross-border E-commerce Brand Overseas Project

In June 2023, the Group officially launched the cross-border e-commerce brand overseas project of the measuring and cutting tools industry cluster. Using the market of Zhejiang measuring and cutting tools trading centre as a foundation, the Company cooperated with the Municipal Bureau of Commerce to build a cross-border e-commerce brand for the industry clusters, establishing independent stations and Ali International stations for the measuring and cutting tools industry belt, and conducted Google advertisement placing and SEO search engine optimisation.

Since its launch, the independent website has achieved 16.5061 million impressions. At the same time, leveraging various search engines and social media platforms, we have accelerated brand exposure. We have conducted 11 training sessions on online platforms such as TikTok and Amazon, cultivating 511 professionals in aggregate, and organized 7 cross-border e-commerce events that attracted nearly 800 participants.

OUTLOOK

Looking ahead to 2025, the global economic recovery will continue to face uncertainties such as inflationary pressure and high energy costs. However, the PRC’s manufacturing sector will maintain its trajectory of ascending to the high-end of the value chain. For the measuring and cutting tools industry, the deep integration of artificial intelligence and Internet of Things technologies will further unleash market demand for smart cutting tools and online monitoring systems. The explosive growth of strategic emerging industries such as new energy and semiconductors will place higher requirements for ultra-precision machining tools.

Facing new situations, Zhejiang Measuring and Cutting Tools Trading Centre aims to “build a world-class service platform for measuring and cutting tools” through the following strategic measures: firstly, with primary businesses and the expansion of scale of leasing areas at its core, the centre will build up a one-stop support service system encompassing logistics, property, e-commerce, ancillary value-added services, and investment management either through operations within the Group or the introduction of excellent external management teams. It will continue to invest in developing phase II of the Science and Technology Innovation Park and launching phase III; secondly, the Group plans to continue its effort in consolidating existing resources to provide clients with ancillary value-added services related to logistics, property, and e-commerce; thirdly, the Group intends to achieve incremental growth through mergers and acquisitions of companies or teams within the measuring and cutting tools industry, ultimately transforming the Company into a comprehensive service provider oriented towards manufacturing and research and development; lastly, it will deepen digital empowerment, adhere to innovation-driven development, and assist clients in exploring applications of AI and blockchain technologies to enhance transaction efficiency and transparency.

FINANCIAL REVIEW

Revenue

Total revenue decreased by approximately 28.9% from approximately RMB96.8 million for the year ended 31 December 2023 to approximately RMB68.8 million for the year ended 31 December 2024, mainly because of the absence of sales of the properties in the Science and Technology Innovation Park as the saleable areas in the Science and Technology Innovation Park have been sold out as at 31 December 2023. The revenue from the property leasing business remained stable at approximately RMB65.0 million and approximately RMB64.8 million for the years ended 31 December 2023 and 2024, respectively.

Cost of Sales

Cost of sales decreased significantly by approximately 59.6% from approximately RMB33.1 million for the year ended 31 December 2023 to approximately RMB13.4 million for the year ended 31 December 2024, mainly because the Group incurred the costs for sales of completed properties amounting to approximately RMB18.5 million for the year ended 31 December 2023, while no such costs were recorded for the year ended 31 December 2024.

Gross Profit and Gross Profit Margin

Gross profit decreased by approximately 13.0% from approximately RMB63.7 million for the year ended 31 December 2023 to approximately RMB55.5 million for the year ended 31 December 2024, mainly attributable to the absence of profit from the sales of the properties in 2024. However, gross profit margin increased from approximately 65.9% for the year ended 31 December 2023 to approximately 80.6% for the year ended 31 December 2024, mainly because of the absence of the gross profit contributed by the sales of the properties, which generally have a lower gross profit margin (2023: 34.4%) as compared to the gross profit margin of the Group's leasing business of 80.6% in 2024 (2023: 78.8%).

Valuation Losses on Investment Properties

The Group recorded a valuation loss on the investment properties amounting to approximately RMB20.9 million and RMB24.2 million for the year ended 31 December 2023 and 2024 which was mainly because of the decrease in the comparable market rents and land use rights terms.

Other Net Income

Other net income decreased by approximately 98.8% from approximately RMB2.8 million for the year ended 31 December 2023 to approximately RMB0.04 million for the year ended 31 December 2024, primarily due to a decrease in government grant of approximately RMB2.7 million for the year ended 31 December 2024.

Administrative Expenses

Administrative expenses decreased by approximately 9.3% from approximately RMB9.9 million for the year ended 31 December 2023 to approximately RMB9.0 million for the year ended 31 December 2024, primarily due to a decrease in office expenses and professional fees in relation to the absence of the e-commerce projects and the corresponding maintenance and support services as the Group have well prepared in last year.

Income Tax

Income tax decreased by approximately 19.0% from approximately RMB7.3 million for the year ended 31 December 2023 to approximately RMB5.9 million for the year ended 31 December 2024. Such decrease was primarily due to a decrease in current income tax of approximately RMB2.6 million for the year ended 31 December 2024 as the assessable profits was decreased. The effective tax rate increased from approximately 21.1% for the year ended 31 December 2023 to approximately 28.1% for the year ended 31 December 2024. Such increase was mainly due to a decrease in assessable profits which was fully absorbed by the over-provision of PRC LAT of approximately RMB1.9 million in respect of prior years for the year ended 31 December 2024.

Profit for the Year and Net Profit Margin

As a result of the foregoing, profit for the year decreased by approximately 44.6% from approximately RMB27.2 million for the year ended 31 December 2023 to approximately RMB15.1 million for the year ended 31 December 2024, and the Group's net profit margin decreased from approximately 28.1% for the year ended 31 December 2023 to approximately 21.9% for the year ended 31 December 2024.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's operations are primarily financed by cash generated from operating activities, the proceeds of capital contributions from the Shareholders and the bank borrowings. As at 31 December 2024 and 2023, the Group had cash and cash equivalents of approximately RMB86.4 million and RMB74.4 million, respectively. The increase in cash and cash equivalents is mainly attributing to a decrease in capital expenditures during the year ended 31 December 2024.

Funding and Treasury Policy

The Group monitors its cash flows and cash balance on a regular basis and seek to maintain optimal level of liquidity that can meet the working capital needs while supporting a healthy level of business and its various growth strategies. In the future, the Group will continue relying on cash flows from operation and other debt and equity financing to fund our working capital needs and finance part of our business expansion.

Foreign Currency Exchange Risk

The transactions of the Group are denominated in RMB and most of the assets and all liabilities are denominated in RMB. The foreign exchange risk that the Group has to bear is low. During the year, the Group did not use any financial instrument for hedging the foreign currency risk.

Bank Loans and Charge on Assets

As at 31 December 2024 and 2023, the Group did not have any bank loan.

As at 31 December 2024, the Group had banking facilities of RMB233,000,000 from a bank, of which the unutilized amount was RMB233,000,000.

Capital Expenditure

For the year ended 31 December 2024, the capital expenditure was approximately RMB2.0 million (2023: approximately RMB24.3 million). The capital expenditure incurred for the year ended 31 December 2024 primarily related to decoration works and purchase of motor vehicles.

Capital Commitments

As at 31 December 2024, the capital commitments of the Group in respect of property, plant and equipment and investment properties contracted amounted for approximately RMB1.0 million (2023: approximately RMB0.8 million).

Contingent Liabilities

As at 31 December 2024, the contingent liabilities of the Group were approximately RMB91.5 million (2023: RMB103.4 million) in relation to the mortgage loan guarantees provided by the Group to the banks in favour of its customers for security to the mortgage loans granted, and the property ownership certificates of the respective properties were still pledged for such mortgage loans and will be released upon certain conditions are satisfied. In the opinion of the Directors, the fair values of these financial guarantee contracts of the Group at initial recognition are insignificant and the Directors consider that the possibility of default by the purchasers of the Group's properties is remote. Accordingly, no contingent liabilities have been recognised at the inception of the guarantee contracts as at 31 December 2024.

SIGNIFICANT INVESTMENTS HELD, AND MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no significant investments held or material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2024.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2024, the Group had total of 39 employees (2023: 39 employees). For the year ended 31 December 2024, the Group has incurred total staff costs of approximately RMB4.4 million (2023: RMB4.5 million), which was remained stable.

The Group believe that its employees are one of the most valuable assets and have greatly contributed to its success. The Group provide training to its employees to enhance their business efficiency and conduct yearly reviews of their performance. The Group believes that these initiatives have contributed to stronger work incentive among the employees. In addition, the salaries of our employees are mainly determined with reference to their seniority and performance, and the total compensation includes salaries, performance-based bonuses and special awards.

Directors and senior management of the Group receives compensation in the form of fees, salaries, allowances, discretionary bonus, defined contribution plans and other benefits in kind with reference to those paid by comparable companies, time commitment and the performance of the Group.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Main Board of the Stock Exchange on 30 December 2020. The net proceeds from the Company's issue in a total of 20,000,000 new H Shares in the global offering of the Company completed on 30 December 2020 ("**Global Offering**") amounted to approximately HK\$61.9 million (after deducting underwriting commissions and related Listing expenses which equivalent to approximately RMB52.1 million) with the final offer price of HK\$6.25 per H Share. For the period from the listing date to 31 December 2024, the Company has utilised net proceeds from the Global Offering amounting to approximately RMB43.1 million. The Company intends to use the remaining net proceeds of approximately RMB9.0 million in the same manner and proportion as set out in the section headed "Future Plans and Use of Proceeds" contained in the prospectus of the Company dated 11 December 2020 (the "**Prospectus**").

During the year ended 31 December 2024, the Group has applied the net proceeds as follows:

| Usage | | Budgeted amount as set out in the Prospectus RMB'000 | Actual usage up to 31 December 2024 RMB'000 | Remaining balance as at 31 December 2024 RMB'000 | Expected timeline of full utilisation of the balance |
|--|--------------|--|---|--|---|
| | % | | | | |
| - Finance partly the costs and expenses for the establishment and construction of the Science and Technology Innovation Park | 70.0 | 36,441 | 36,441 | - | |
| - Finance further development of the Third Floor, including refurbishment and renovation of the Third Floor | 20.0 | 10,412 | 1,460 | 8,952 | December 2025 |
| - General working capital and other general corporate purposes | 10.0 | 5,205 | 5,205 | - | |
| | <u>100.0</u> | <u>52,058</u> | <u>43,106</u> | <u>8,952</u> | |

As at 31 December 2024, the unused balanced of the net proceeds from the Global Offering of approximately RMB9.0million was placed into short-term demand. It is expected that timeline of utilisation of the remaining balance for financing further development of the Third Floor, including refurbishment and renovation of the Third Floor would be utilized by December 2025.

Save as disclosed above, as at the date of this announcement, the Company does not anticipate any change to its plan on the use of proceeds.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2024 and up to the date of this announcement, there was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities of the Company. As at 31 December 2024, the Company did not hold any treasury Shares.

DIRECTORS' AND SUPERVISORS' COMPETING INTERESTS

None of the controlling shareholders (as defined under the Listing Rules), Directors and Supervisors and their respective close associates has any interests in any business which directly or indirectly competes or is likely to compete with the Group's business.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has adopted the code provisions (the “**Code Provisions**”) of the Corporate Governance Code (“**CG Code**”) set out in Part 2 of Appendix C1 to the Listing Rules. Throughout the year ended 31 December 2024 and up to the date of this announcement, the Company has fully complied with the Code Provisions except for the following deviations.

Pursuant to code provisions C.2.1 of the Appendix C1 Corporate Governance Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, the Company do not have a separate chairman and chief executive officer and Mr. Pan currently performs these two roles upon the resignation of Director of Mr. Huang Qun on 27 March 2024. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider segregating the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Save as disclosed above, the Company strictly complied with the CG Code. The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements and to meet the rising expectations of the shareholders and investors.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Listing Rules as the Company’s code of conduct regarding Directors’ and Supervisors’ securities transactions. Upon specific enquiries, all Directors and Supervisors confirmed that they have complied with the relevant provisions of the Model Code for the year ended 31 December 2024 and up to the date of this announcement.

EVENT AFTER THE REPORTING PERIOD

Saved as disclosed in this announcement, there are no major event, subsequent to 31 December 2024 which would materially affect the Group's operating and financial performance as at the date of this announcement.

FINAL DIVIDEND

Proposal for profit distribution of 2024

Audited profit available for distribution to shareholders of the Company as at 31 December 2024 calculated in accordance with PRC Accounting Standards for Business Enterprises amounted to approximately RMB81.0 million.

The Board of Directors of the Company has recommended profit distribution for 2024 of RMB18.4 million in cash (before tax) per share as the final dividend based on the number of shares held by shareholders registered as at the close of business on the record date for profit distribution and dividend payment. The dividend will be denominated and declared in RMB, and distributed to the domestic shareholders in RMB and to the overseas shareholders in Hong Kong Dollars. The exchange rate for the dividend calculation in Hong Kong Dollars is based on the average benchmark exchange rate of RMB against Hong Kong Dollar as published by the People's Bank of China one week preceding the date of the declaration of such dividend.

The Company expects to pay the dividend to holders of Domestic Shares is Friday, 16 May 2025, whereas the expected payment date of final dividend of the Company for 2024 to holders of H shares is Friday, 30 May 2025.

In respect of the Company's distribution of final Dividend to Shareholders whose names appear on the H share register of the Company on Wednesday, 14 May 2025, the Company will process income tax payable on dividends and profit distributions in accordance with relevant taxation laws and regulations of China. The details are as follow:

1. In connection with overseas non-resident corporate H shareholders, a 10% enterprise income tax to be withheld and paid on behalf of such shareholders by the Company shall apply in accordance with relevant provisions of the "Notice of the State Administration of Taxation on Issues Concerning the Withholding and Payment of Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to Overseas Non-Resident Corporate H shareholders" (Guo Shui Han 2008 No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函2008897號)). Any H shares registered in the name of non-resident corporate H shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organisations or groups, will be treated as shares being held by non-resident corporate H shareholders, and consequently will be subject to the withholding of the enterprise income tax.
2. Pursuant to relevant laws and regulations and regulatory documents such as the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》), the Implementation Rules of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》), the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Nonresidents under Tax Treaties (Tentative) (Guo Shui Fa 2009 No. 124) (《國家稅務總局關於印發〈非居民享受稅收協議待遇管理辦法(試行)〉的通知》(國稅發2009124號)) and the Notice of the State Administration of Taxation on the Issues Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa 1993 No. 45 (Guo Shui Han 2011 No. 348) (《國家稅務總局關於國稅發199345號文件廢止後有關個人所得稅徵管問題的通知》(國稅函2011348號)), dividends received by overseas resident individual shareholders from the stocks issued by domestic non-foreign investment enterprises in Hong Kong is subject to the payment of individual income tax, which shall be withheld by the withholding agents. However, overseas resident individual shareholders of the stocks issued by domestic non-foreign investment enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries in which they are residents and China, or the tax arrangements between Mainland China and Hong Kong (Macau). For individual holders of H shares, dividends payable to them are subject to the individual income tax withheld at a tax rate of 10% in general unless otherwise specified by the tax regulations and the relevant tax agreements.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (“AGM”) will be held on Wednesday, 30 April 2025. Shareholders should refer to details regarding the AGM in the circular of the Company, the notice of AGM and form of proxy accompanying thereto to be dispatched to the Shareholders by the Company.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Wednesday, 23 April 2025 to Wednesday, 30 April 2025, both days inclusive, during which period no transfer of H shares of the Company will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer of H shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company’s H share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 22 April 2025, being the business day before the first day of closure of the register of members.

For the purpose of ascertaining shareholders’ entitlement to the final dividend, the register of members of the Company will be closed from Thursday, 8 May 2025 to Wednesday, 14 May 2025, both days inclusive, during which period no transfer of H shares of the Company will be registered. In order to establish entitlements to the final dividend, all transfer of H shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company’s H share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 7 May 2025, being the business day before the first day of closure of the register of members. The members of the H shares whose names appear on the H share register of members on Wednesday, 14 May 2025 will be entitled to receive the final dividend.

SCOPE OF WORK OF KPMG

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been compared by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

PUBLICATION OF THE CONSOLIDATED ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.cnglj.com>) and the 2024 Annual Report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company upon request and published on the respective websites of the Stock Exchange and the Company in due course.

AUDIT COMMITTEE

The audit committee of the Company has reviewed together with the management and external auditor of the Company about the accounting principles and policies adopted by the Group and discussed the internal control and financial reporting matters including a review of the annual results of the Group for the year ended 31 December 2024.

By order of the Board
**Wenling Zhejiang Measuring and
Cutting Tools Trading Centre Company Limited***
溫嶺浙江工量刃具交易中心股份有限公司
PAN Haihong
Chairman

Wenling City, the PRC, 31 March 2025

As at the date of this announcement, the Board comprises Mr. Pan Haihong and Mr. Xu Yi as executive Directors; Mr. Wang Wenming, Mr. Cheng Jinyun and Mr. Ye Yunzhi as non-executive Directors; and Mr. Xu Wei, Ms. He Liyuan and Mr. Wong Ka Wai as independent non-executive Directors.

* For identification purpose only