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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)

MAJOR TRANSACTION IN RELATION TO ACQUISITION OF LAND USE RIGHTS

ACQUISITION OF LAND USE RIGHTS

On 10 June 2025, Wenling Sunrise, a direct wholly-owned subsidiary of the Company, entered into the Confirmation Letter with the Bureau to confirm that Wenling Sunrise successfully bid for the land use rights of the Land located in Qianyangxia Village, Wenqiao Town, Wenling City, Zhejiang Province, the PRC offered for sale by the Bureau at the Auction. As a result of the successful bidding, the Land Use Rights Grant Contract was entered into by Wenling Sunrise and the Bureau on 10 June 2025, pursuant to which the Bureau agreed to grant, and Wenling Sunrise agreed to acquire, the land use rights of the Land at a total consideration of RMB52.06 million.

The Land will be used for the construction of Wenling City Shanhaitianqiao* (山海天嶠) construction project located at Wenqiao Town, Wenling City, Zhejiang Province, the PRC* (中國浙江省溫嶺市溫嶠鎮).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) exceed 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, a written Shareholders' approval may be accepted in lieu of holding a general meeting to approve the Acquisition on the conditions that (i) no Shareholder is required to abstain from voting if a general meeting of the Company is held to approve the Acquisition; and (ii) approval has been given by a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the Shares in issue giving the right to vote at general meetings to approve the Acquisition.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, no Shareholder or any of their respective associates have any material interest in, and would be required to abstain from voting on, any resolution to approve the Acquisition if the Company were to convene a general meeting to approve the same.

As at the date of this announcement, Wenling City Market Group Company Limited* (溫嶺市市場集團有限公司), a Shareholder, holding 58,200,000 Domestic Shares (representing approximately 72.75% of the share capital of the Company) has given its written approval to the Acquisition and such written approval is accepted in lieu of holding a general meeting. As a result, no extraordinary general meeting will be convened by the Company for the purpose of approving the Acquisition.

GENERAL

A circular containing, among other things, further particulars of the Acquisition is expected to be despatched to Shareholders on or before 2 July 2025.

INTRODUCTION

The Board is pleased to announce that on 10 June 2025, Wenling Sunrise, a direct wholly-owned subsidiary of the Company, entered into the Confirmation Letter with the Bureau to confirm that Wenling Sunrise successfully bid for the land use rights of the Land located in Qianyangxia Village, Wenqiao Town, Wenling City, Zhejiang Province, the PRC offered for sale by the Bureau at the Auction. As a result of the successful bidding, the Land Use Rights Grant Contract was entered into by Wenling Sunrise and the Bureau on 10 June 2025, pursuant to which the Bureau agreed to grant, and Wenling Sunrise agreed to acquire, the land use rights of the Land at a total consideration of RMB52.06 million.

THE ACQUISITION

The principal terms of the Acquisition are as follows:

Date: 10 June 2025

Parties to the Land Use Rights Grant Contract:

- (1) Wenling Sunrise, as the transferee; and
- (2) Wenling City Natural Resources and Planning Bureau* (溫嶺市自然資源和規劃局), as the transferor.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Bureau and its respective ultimate beneficial owner(s) are Independent Third Parties.

Consideration and payment terms: The total Consideration of RMB52.06 million was the bidding price offered by Wenling Sunrise at the Auction for the Acquisition, which was determined by Wenling Sunrise with reference to, among other things, the initial Auction price, the market prices and conditions in the vicinity and surrounding area of the Land and the potential development of the Land

The bidding deposit of RMB10.45 million paid by Wenling Sunrise at the Auction shall become the deposit under the Land Use Rights Grant Contract for the Acquisition. Wenling Sunrise shall settle the remaining balance of the Consideration within 30 days from the date of the Land Use Rights Grant Contract.

The Consideration will be funded by the internal resources of the Group and/or financing.

Information of the Land

Plot No.: GY100417

Location of the Land: Qianyangxia Village, Wenqiao Town, Wenling City, Zhejiang Province, the PRC

Total site area: approximately 19,271 square meters

Proposed use of the Land: Commercial purposes

Term of the land use right: 40 years

REASON FOR AND BENEFITS OF THE ACQUISITION

The Group currently intends to develop and construct the Land into Wenling City Shanhaitianqiao (山海天嶠) construction project, aligning with the development strategy of the Group. Subject to the final approval by the relevant government authority, it is expected that the Land will be developed into 2 commercial office buildings with 11 and 14 storeys each and 1 commercial building with 4 storeys. The construction cost for developing the Land is estimated to be RMB265.0 million, which does not form part of the aggregate costs of the Acquisition and is expected to be funded by the internal resources of the Group and/or financing. The Acquisition will significantly enhance the Group's market position in the overall measuring and cutting tools industry and the Group's ability to broaden its industrial park operation services and expand its property leasing business, positively promoting sustainable development of the Group in the future. The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are fair and reasonable and the Acquisition is on normal commercial terms in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Bureau

The Bureau is a PRC governmental authority and is responsible for, among other things, the management of the trading operation of public resources. The Bureau falls within the definition of "PRC Governmental Body" under Rule 19A.04 of the Listing Rules. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Bureau and its respective ultimate beneficial owner(s) are Independent Third Parties.

Wenling Sunrise

Wenling Sunrise, a direct wholly-owned subsidiary of the Company, is principally engaged in investment, real estate development and management, conference and exhibition and related services.

The Group

The Group is principally engaging in the property leasing business in the measuring and cutting tools market and the operation, management, construction and development of industrial parks and provision of park operation services and integrated professional services.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) exceed 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, a written Shareholders' approval may be accepted in lieu of holding a general meeting to approve the Acquisition on the conditions that (i) no Shareholder is required to abstain from voting if a general meeting of the Company is held to approve the Acquisition; and (ii) approval has been given by a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the Shares in issue giving the right to vote at general meetings to approve the Acquisition.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, no Shareholder or any of their respective associates have any material interest in, and would be required to abstain from voting on, any resolution to approve the Acquisition if the Company were to convene a general meeting to approve the same.

As at the date of this announcement, Wenling City Market Group Company Limited* (溫嶺市市場集團有限公司), a Shareholder, holding 58,200,000 Domestic Shares (representing approximately 72.75% of the share capital of the Company) has given its written approval to the Acquisition and such written approval is accepted in lieu of holding a general meeting. As a result, no extraordinary general meeting will be convened by the Company for the purpose of approving the Acquisition.

GENERAL

A circular containing, among other things, further particulars of the Acquisition is expected to be despatched to Shareholders on or before 2 July 2025.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	acquisition of the land use rights of the Land through the Auction
“Auction”	the public auction held by the Bureau at which the Land was offered for sale

“Board”	the board of Directors
“Bureau”	Wenling City Natural Resources and Planning Bureau*(溫嶺市自然資源和規劃局)
“Company”	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), a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1379)
“Confirmation Letter”	the confirmation letter (成交確認書) entered into between Wenling Sunrise and the Bureau on 10 June 2025 (after trading hours)
“Consideration”	RMB52.06 million, being the price for the grant of the land use rights of the Land
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning of the Listing Rules

“Land”	the plot of land located in Qianyangxia Village, Wenqiao Town, Wenling City, Zhejiang Province, the PRC with plot number GY100417 and a total site area of approximately 19,271 square meters which was offered for sale at the Auction
“Land Use Rights Grant Contract”	the land use rights grant contract entered into by Wenling Sunrise and the Bureau for the Acquisition on 10 June 2025 after the execution of the Confirmation Letter
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, but for the purpose of this announcement and for geographical reference only, and except where the context requires, references in this announcement to the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wenling Sunrise”	Wenling Sunrise Real Estate Development Co., Ltd.* (溫嶺市旭日投資有限公司), a limited liability company established under the laws of the PRC on 12 June 2018, and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“%”	per cent

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
Xu Yi
Executive Director

Zhejiang Province, the PRC, 10 June 2025

As at the date of this announcement, the Board comprises Mr. Chen Xiangbiao, Mr. Guo Jun and Mr. Xu Yi as executive Directors; Mr. Jin Guoxin, Mr. Wang Wenming, Mr. Cheng Jinyun and Mr. Ye Yunzhi as non-executive Directors; and Mr. Xu Wei, Ms. He Liyun, Ms. Xu Chunhui and Mr. Wong Ka Wai as independent non-executive Directors.

* For identification purpose only