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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)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO THE FACTORY PREMISES
LEASE AGREEMENT**

On 17 March 2026 (after trading hours), Sunrise (as landlord), a wholly-owned subsidiary of the Company, and Qiaoling Investment (as tenant), a connected person of the Company, entered into the Factory Premises Lease Agreement with retrospective effect for a term commencing from 1 January 2026 to 31 December 2026.

As at the date of this announcement, Qiaoling Investment is directly interested in approximately 14.48% of the issued share capital of the Company and one of the Controlling Shareholders, who in aggregate hold 72.75% equity interest in the Company together with other Controlling Shareholders. Therefore, Qiaoling Investment is a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Factory Premises Lease Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Prior to the Factory Premises Lease Agreement, Sunrise (as landlord) and Qiaoling Investment (as tenant) entered into the Previous Lease Agreement in relation to premises within the factory buildings located at Sunrise Measuring and Cutting Tools Incubation Park for a term from 1 June 2024 to 31 May 2027 at an annual rent of RMB72,000. On a standalone basis, as all the applicable percentage ratios in respect of the Previous Annual Caps are less than 5% and the highest amount of the Previous Annual Caps is less than HK\$3,000,000, the said transaction is fully exempt from the annual review, announcement and independent shareholders' approval requirements under the Listing Rules. As the Factory Premises Lease Agreement and the Previous Lease Agreement both relate to the lease of premises located at Sunrise Measuring and Cutting Tools Incubation Park to Qiaoling Investment and have overlapping terms, the Factory Premises Lease Agreement and the Previous Lease Agreement should be aggregated under Rules 14A.81 to 14A.83 of the Listing Rules.

As all the applicable percentage ratios under the Listing Rules for (i) the Annual Caps on a standalone basis; and (ii) the Aggregated Annual Caps, are less than 5% but the highest amount of each of the Annual Caps and the Aggregated Annual Caps exceeds HK\$3,000,000, the continuing connected transactions contemplated under the Factory Premises Lease Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcements of the Company dated 11 January 2023 in relation to the 2023 Factory Premises and Dormitories Lease Agreement entered into between Sunrise (as landlord), a wholly-owned subsidiary of the Company, and Qiaoling Investment (as tenant), a connected person of the Company, regarding the continuing connected transactions contemplated thereunder. The 2023 Factory Premises and Dormitories Lease Agreement expired on 31 December 2025 and in view of the intention of the Company to continue the transaction contemplated thereunder with Qiaoling Investment after such expiry, and to increase the occupancy rate of the property of the Group, on 17 March 2026 (after trading hours), Sunrise entered into the Factory Premises Lease Agreement with Qiaoling Investment with retrospective effect for a term from 1 January 2026 to 31 December 2026.

PRINCIPAL TERMS OF THE FACTORY PREMISES LEASE AGREEMENT

Date:	17 March 2026
Landlord:	Wenling Sunrise Real Estate Development Co., Ltd.*
Tenant:	Wenling City Qiaoling Investment Development Company Limited*
Lease Premises:	Factory buildings with an aggregated floor area of 17,150.54 sq.m. at Sunrise Measuring and Cutting tools Incubation Park, Chenshan Village, Wenqiao Town, Wenling City, Zhejiang Province, the PRC* (中國浙江省溫嶺市溫嶠鎮琛山村旭日工量刃具創業園)
Term:	From 1 January 2026 to 31 December 2026 (both dates inclusive)
Rent:	The effective monthly rental rate is RMB13.05 per sq.m., with annual rent of RMB2,686,738.5.

Advance Payment:	The rent is paid on an annual basis. The rent for the year is required to be paid in advance to the Landlord upon signing of the Factory Premises Lease Agreement.
Sub-leasing:	Tenant can sub-lease the lease premises to other parties by giving to the Landlord 10 days' notice in writing. The Tenant shall procure the sub-lessee to be bound by the terms of the Factory Premises Lease Agreement.

PRICING POLICIES

As a general principle, the monthly rent of the leased properties will be charged on normal commercial terms, negotiated on an arm's length basis, on a similar basis as the Group's leases to independent third party tenants and shall be on terms which are no more favourable to the Tenant than those offered to independent third party tenants.

HISTORICAL FIGURES

2023 Factory Premises and Dormitories Lease Agreement

For the three years ended 31 December 2025, the aggregate leasing fee paid by Qiaoling Investment for the leasing of the premises were approximately RMB6.4 million, RMB6.4 million and RMB6.4 million, respectively. The Directors confirm that, as at the date of this announcement, the annual caps for the 2023 Factory Premises and Dormitories Lease Agreement have not been exceeded.

Previous Lease Agreement

Prior to the Factory Premises Lease Agreement on 30 May 2024, Sunrise (as landlord) and Qiaoling Investment (as tenant) entered into the Previous Lease Agreement in relation to premises within the factory buildings, comprising a floor area of 400 sq.m., located at Sunrise Measuring and Cutting Tools Incubation Park, Chenshan Village, Wenqiao Town, Wenling City, Zhejiang Province, the PRC. The lease term is from 1 June 2024 to 31 May 2027, with a rent-free period from 1 June 2024 to 31 August 2024. The monthly rent is set at RMB15.0 per sq.m., resulting in an annual rent of RMB72,000.

The annual caps for the Previous Lease Agreement for the financial years ended/ending 31 December 2024, 2025, 2026 and 2027 are RMB18,000, RMB72,000, RMB72,000 and RMB30,000, respectively. The historical transaction amounts relating to the Previous Lease Agreement for the two years ended 31 December 2025 were approximately RMB18,000 and 72,000, respectively.

ANNUAL CAPS

The Annual Caps set for the transactions contemplated under the Factory Premises Lease Agreement for the financial year ending 31 December 2026 is RMB2,686,738.5, which is equivalent to the rent for the year receivable by the Sunrise under the Factory Premises Lease Agreement.

Subject to the general principle of pricing policies disclosed above, the Group will take into account the following factors when determining the monthly rent to be paid to the Group contemplated under the Factory Premises Lease Agreement and the Annual Caps: (i) attributes of the lease premises; (ii) location of the lease premises; (iii) size of the lease premises; and (iv) rental rate of surrounding properties with similar attributes, including those offered by the Group to independent third party tenants (if any).

The Aggregated Annual Caps for total rent receivable by the Group under the Factory Premises Lease Agreement and the Previous Lease Agreement for the two financial years ending 31 December 2027 are RMB2,758,738.5 and RMB30,000, respectively.

REASONS AND BENEFITS FOR ENTERING INTO THE FACTORY PREMISES LEASE AGREEMENT AND VIEWS OF THE DIRECTORS

The leasing of the premises by the Qiaoling Investment from Sunrise can increase the occupancy rate and bring stable rental income to the Group and is in the interest of the Group and its shareholders as a whole.

Taking into account the above, the Directors, including the independent non-executive Directors, are of the view that the Factory Premises Lease Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group. Having considered the market rent in nearby areas and the market value of the properties, the Directors, including the independent non-executive Directors, are of the view that the terms of the Factory Premises Lease Agreement and the Annual Caps are fair and reasonable and in the interest of the Company and its shareholders as a whole.

None of the Directors has a material interest in the Factory Premise Lease Agreement, nor are they required to abstain from voting in the relevant board resolutions.

IMPLICATIONS UNDER LISTING RULES

As at the date of this announcement, Qiaoling Investment is directly interested in approximately 14.48% of the issued share capital of the Company and one of the Controlling Shareholders, who in aggregate hold 72.75% equity interest in the Company together with other Controlling Shareholders. Therefore, Qiaoling Investment is a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Factory Premises Lease Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Prior to the Factory Premises Lease Agreement, Sunrise (as landlord) and Qiaoling Investment (as tenant) entered into the Previous Lease Agreement in relation to premises within the factory buildings located at Sunrise Measuring and Cutting Tools Incubation Park for a term from 1 June 2024 to 31 May 2027 at an annual rent of RMB72,000. On a standalone basis, as all the applicable percentage ratios in respect of the Previous Annual Caps are less than 5% and the highest amount of the Previous Annual Caps is less than HK\$3,000,000, the said transaction is fully exempt from the annual review, announcement and independent shareholders' approval requirements under the Listing Rules. As the Factory Premises Lease Agreement and the Previous Lease Agreement both relate to lease of premises located at Sunrise Measuring and Cutting Tools Incubation Park to Qiaoling Investment and have overlapping terms, the Factory Premises Lease Agreement and the Previous Lease Agreement should be aggregated under Rules 14A.81 to 14A.83 of the Listing Rule.

As all the applicable percentage ratios under the Listing Rules for (i) the Annual Caps on standalone basis; and (ii) the Aggregated Annual Caps, are less than 5% but the highest amount of each of the Annual Caps and the Aggregated Annual Caps exceeds HK\$3,000,000, the continuing connected transactions contemplated under the Factory Premises Lease Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval and circular requirements under Chapter 14A of the Listing Rules. None of the Directors has a material interest in the transaction.

INFORMATION ON THE PARTIES

The principal business of the Group is property leasing and real estate development.

Sunrise is a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of the Company. Its principal business is property leasing and real estate development.

Qiaoling Investment is a company established in the PRC with limited liability and is wholly-owned by Wenqiao Town People's Government and is one of our Controlling Shareholders. The principal business is to make investments.

DEFINITIONS

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

“2023 Factory Premises and Dormitories Lease Agreement”	the factory premises and dormitories lease agreement entered into between the Sunrise (as landlord) and the Qiaoling Investment (as tenant) dated 11 January 2023
“Aggregated Annual Caps”	the aggregated annual caps for the total rent receivable by the Group under the Factory Premises Lease Agreement and the Previous Lease Agreement for the two financial years ending 31 December 2027
“Annual Caps”	the annual caps for the rent receivable by the Group under the Factory Premises Lease Agreement for the financial year ending 31 December 2026
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“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, whose H Shares are listed and traded on the Stock Exchange (stock code: 1379)
“connected person”	has the meaning ascribed to it under the Listing Rules

“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and in the case of the Company, means pursuant to the concert party agreement and concert party supplemental agreement, Wenling City Wenqiao Town People’s Government* (溫嶺市溫嶠鎮人民政府), Wenling City Wenqiao Town Qianyangxia Village Villagers Committee* (溫嶺市溫嶠鎮前洋下村村民委員會), Wenling City Wenqiao Town Maoyang Village Villagers Committee* (溫嶺市溫嶠鎮茅洋村村民委員會), Wenling City Wenqiao Town Zhongjie Village Villagers Committee* (溫嶺市溫嶠鎮中街村村民委員會), Wenling City Wenqiao Town Shangjie Village Villagers Committee* (溫嶺市溫嶠鎮上街村村民委員會), Wenling City Wenqiao Town Xuzhai Village Villagers Committee* (溫嶺市溫嶠鎮許宅村村民委員會) and Wenling City Wenqiao Town Zhang Laoqiao Village Villagers Committee* (溫嶺市溫嶠鎮張老橋村村民委員會) and their respective controlled corporations are acting in concert with one another and each of them is deemed to exercise or control the exercise of an aggregate of 72.75% of the voting power at the general meetings of the Company pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Director(s)”	director(s) of the Company
“Factory Premises Lease Agreement”	the factory premises lease agreement entered into between Sunrise (as landlord) and the Qiaoling Investment (as tenant) dated 17 March 2026
“Group”	the Company and its subsidiaries
“independent third party(ies)”	person(s) or company(ies) which is/are independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Previous Annual Cap”	the annual caps for the total rent receivable by the Group under the the Previous Lease Agreement for the financial years ended/ending 31 December 2024, 2025, 2026 and 2027

“Previous Lease Agreement”	the lease agreement entered into between the Sunrise (as landlord) and the Qiaoling Investment (as tenant) dated 30 May 2024
“Qiaoling Investment” or “Tenant”	Wenling City Qiaoling Investment Development Company Limited* (溫嶺市嶠嶺投資發展有限公司), a company established in the PRC with limited liability and one of the Controlling Shareholders of the Company which holds 14.48% of the issued share capital of the Company at the date of this announcement and is wholly-owned by Wenling City Wenqiao Town People’s Government* (溫嶺市溫嶠鎮人民政府)
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunrise” or “Landlord”	Wenling Sunrise Real Estate Development Co., Ltd.* (溫嶺市旭日投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“%”	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
Jin Guoxin
Chairman

Zhejiang Province, the PRC, 17 March 2026

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. Xu Chun Hui, Ms. He Liyun and Mr. Wong Ka Wai as independent non-executive Directors.

* For identification purposes only