温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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
Revenue *(RMB'000)*	**33,629**	34,461
Gross profit *(RMB'000)*	**25,569**	26,934
Gross profit margin	**76.0%**	78.2%
Profit for the period *(RMB'000)*	**8,703**	7,417
Net profit margin	**25.9%**	21.5%
Basic and diluted earnings per share *(RMB)*	**0.11**	0.09

The Board has resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2026.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Wenling Zhejiang Measuring and Cutting Tools Trading Centre Company Limited* (温嶺浙江工量刃具交易中心股份有限公司) (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the six months ended 30 June 2025, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**33,629**	34,461
Cost of services		**(8,060)**	(7,527)
Gross profit		**25,569**	26,934
Valuation losses on investment properties	*9*	**(10,960)**	(12,895)
Other net income	*5*	**35**	288
Selling and marketing expenses		**(400)**	(318)
Administrative expenses		**(2,365)**	(4,181)
Profit from operations		**11,879**	9,828
Finance costs		**(142)**	(3)
Share of loss of associate	*10*	**(124)**	(9)
Profit before taxation	*6*	**11,613**	9,816
Income tax	*7*	**(2,910)**	(2,399)
Profit for the period		**8,703**	7,417
Other comprehensive income for the period		**–**	–
Total comprehensive income for the period		**8,703**	7,417
Earnings per share	*8*		
Basic and diluted *(RMB)*		**0.11**	0.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited
(Expressed in Renminbi)

	Note	**At 30 June 2026** *RMB'000*	At 31 December 2025 *RMB'000*
Non-current assets			
Investment properties	*9*	**1,025,900**	1,019,700
Property, plant and equipment		**6,633**	6,933
Lease prepayments		**455**	467
Interest in an associate	*10*	**6,599**	6,723
Other non-current assets		**28,510**	9,120
Total non-current assets		**1,068,097**	1,042,943
Current assets			
Properties under development for sale		**51,742**	34,677
Amounts due from related parties		**1,805**	177
Trade and other receivables	*12*	**2,115**	479
Prepayments	*12*	**727**	318
Income tax prepaid		**–**	119
Cash and cash equivalents		**8,407**	18,885
Total current assets		**64,796**	54,655
Current liabilities			
Short-term loans		**24,620**	–
Other payables and accruals	*13*	**28,110**	18,471
Contract liabilities	*14*	**653**	1,939
Receipts-in-advance, current		**28,569**	54,157
Current taxation		**6,622**	6,635
Total current liabilities		**88,574**	81,202
Net current liabilities		**(23,778)**	(26,547)
Total assets less current liabilities		**1,044,319**	1,016,396

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current liabilities			
Receipts-in-advance, non-current		**42,033**	44,555
Other long-term payables		**3,546**	2,559
Long-term loans		**32,299**	–
Deferred tax liabilities		**167,635**	169,579
Total non-current liabilities		**245,513**	216,693
Net assets		**798,806**	799,703
Capital and reserves			
Share capital		**80,000**	80,000
Reserves		**718,806**	719,703
Total equity		**798,806**	799,703

NOTES TO THE UNAUDITED INTERIM FINANCIAL RESULTS

1 GENERAL INFORMATION

The Company 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, and was converted into a joint stock limited liability company on 3 May 2018. The Company completed its initial public offering and was listed on the Main Board of the Stock Exchange of Hong Kong Limited ("**Stock Exchange**") on 30 December 2020.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 25 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements.

Details of any changes in accounting policies are set out in Note 3.

The interim financial report has been prepared assuming the Group will continue as a going concern notwithstanding the fact that the Group had net current liabilities of RMB23,778,000 as at 30 June 2026. As at 30 June 2026, the Group had banking facilities of RMB578,940,000 from three third-party banks, of which the unutilized amount was RMB522,041,000. 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 July 2026 to 30 June 2027, 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 an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial report prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory annual consolidated financial statements for the year ended 31 December 2025 are available from the Company's registered office. The independent auditors have expressed an unqualified opinion on those financial statements in their report dated 26 March 2026.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, *Financial instruments and HKFRS 7, Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements. The impacts of adopting these amendments are discussed below.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE

Disaggregation of revenue

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

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15			
– Sales of goods	*(ii)*	**596**	–
– Others	*(iii)*	**2,064**	1,850
		2,660	1,850
Revenue from other sources			
– Property leasing	*(i)*	**30,969**	32,611
Total		**33,629**	34,461

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
– Point in time		
Sales of goods	**596**	–
– Overtime		
Others	**2,064**	1,850
Total	**2,660**	1,850

(i) The Group's revenue mainly from property leasing.

(ii) For sales of goods, revenue is recognised at the point in time. Customers obtain control of the goods when they are delivered to and have been accepted by the customer.

(iii) Others mainly represent revenue for provision of property management services and is recognised over time in accordance with HKFRS 15, Revenue from Contracts with Customers.

For the six months ended 30 June 2026 and 2025, no customer has exceeded 10% of the Group's revenue.

The Group has applied the practical expedient in paragraph 121 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 30 June 2026 and the expected timing of recognising revenue are as follows:

	Property management services
	RMB'000
Within one year	**467**

5 OTHER NET INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest income from bank deposits	**2**	40
Government grants	**–**	200
Net exchange gain	**29**	45
Others	**4**	3
Total	**35**	288

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Depreciation and amortisation	**300**	359

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax		
– PRC CIT	**4,847**	4,844
– Under/(over)-provision in respect of prior years	**6**	(55)
Deferred tax		
– PRC CIT	**(1,943)**	(2,390)
	2,910	2,399

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

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Profit before taxation		**11,613**	9,816
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	*(i)*	**2,904**	2,454
Under/(over)-provision in respect of prior years		**6**	(55)
Actual tax expense		**2,910**	2,399

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

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit for the six months ended 30 June 2026 attributable to ordinary equity shareholders of the parent of RMB8,703,000 (six months ended 30 June 2025: RMB7,417,000) and the weighted average of 80,000,000 ordinary shares in issue during the six months ended 30 June 2026 (six months ended 30 June 2025: 80,000,000 shares).

(b) Diluted earnings per share

The Company did not have any potential ordinary shares outstanding during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil). Diluted earnings per share are equal to basic earnings per share.

9 INVESTMENT PROPERTIES

The valuations of investment properties were updated at 30 June 2026 by the same independent valuer of the Group using the same valuation techniques when carrying out the valuation as at 31 December 2025.

As a result of the update, a net fair value loss of RMB10,960,000 (six months ended 30 June 2025: loss of RMB12,895,000), and deferred tax thereon of RMB2,740,000 (six months ended 30 June 2025: RMB3,224,000), has been recognised in profit or loss for the period in respect of investment properties.

10 INTEREST IN AN ASSOCIATE

During the six months ended 30 June 2026, the share of loss of associate amounted to RMB124,000 (six months ended 30 June 2025: RMB9,000).

11 DIVIDENDS

(a) Dividends payable to equity shareholders attributable to the interim period

The directors do not recommend any interim dividend in respect of the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(b) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of RMB0.12 per share (six months ended 30 June 2025: RMB0.23)	**9,600**	18,400

12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

(a) Trade and other receivables

	At 30 June	At 31 December
	2026	2025
	RMB'000	*RMB'000*
Trade receivable, net of loss allowance	**226**	64
Other receivables:		
– Value-added tax recoverable	**1,587**	–
– Payments on behalf of the third parties	**177**	336
– Others	**125**	79
	2,115	479

As at the end of each reporting periods, the ageing analysis of trade receivables, based on the date of revenue recognition and net of allowance for impairment, shows that all amounts are aged within 1 year.

(b) **Prepayments**

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Prepayments for services	**445**	36
Prepaid business tax	**282**	282
	727	318

13 OTHER PAYABLES AND ACCRUALS

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Payable for purchase of property, plant and equipment and investment properties and properties under development for sale	**15,590**	1,246
Accrued payroll	**294**	1,098
Other taxes payable	**3,062**	4,751
Deposits from tenants	**7,085**	8,075
Payable for professional fees	**862**	1,983
Payable for property management fees and utilities	**254**	237
Others	**963**	1,081
	28,110	18,471

All of the other payables and accruals are normally settled within one year or are repayable on demand.

14 CONTRACT LIABILITIES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Advance payments received		
− Property management services	**467**	1,674
− Sales of goods	**186**	265
	653	1,939

For property management services, the Group recognises revenue as the services are provided.

Movements in contract liabilities during the periods are as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
At the beginning of the period/year	**1,939**	2,067
Decrease in contract liabilities as a result of recognising revenue during the period/year that was included in the contract liabilities at the beginning of the period/year	**(1,939)**	(2,067)
Increase in contract liabilities as a result of receipts in advances	**653**	1,939
At the end of the period/year	**653**	1,939

15 COMMITMENTS

Capital commitments outstanding at 30 June 2026 not provided for in the interim financial report

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Contracted for	**205,197**	214,913

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.

In the first half of 2026, despite a complex and volatile external environment and domestic economic restructuring, China's economy generally maintained stable growth. According to data from the National Bureau of Statistics of China, gross domestic product (GDP) for the first half of 2026 stood at RMB69.57 trillion, representing a year-on-year increase of 4.7%; during the same period, industrial value-added from enterprises above designated scale grew by 5.4% year-on-year. In June 2026, the Manufacturing Purchasing Managers' Index (PMI) rebounded to 50.3%, with the production index and new orders index standing at 51.4% and 51.2%, respectively, indicating improvements in both production and demand within the manufacturing sector.

The measuring and cutting tool industry, which is closely linked to demand for measuring and cutting tools, continued its recovery trend. According to statistics compiled by the China Machine Tool & Tool Builders' Association, from January to May 2026, the entire Chinese machine tool and cutting tool industry achieved operating revenue of RMB431.9 billion, a year-on-year increase of 6.7%; among these, the metal-cutting machine tool sub-sector saw operating revenue rise by 14.4% year-over-year, while new orders and backlogs for metal-processing machine tools both increased by 5.5% year-over-year. Production of metal-cutting machine tools by enterprises above designated scale grew by 5.9% year-over-year. During the same period, the total value of imports and exports of machine tool products increased by 4.7% year-over-year, indicating that the upgrading of China's domestic manufacturing sector and demand from overseas markets continue to provide support for the industry.

However, the industry's recovery continues to exhibit structural divergence, and upstream cost pressures have intensified. Products and services characterised by high precision, high efficiency, and intelligent features — as well as those tailored for application scenarios such as new energy vehicles, aerospace, robotics, and precision manufacturing — are expected to remain the key directions for the industry's upgrade. Enterprises with strong brands, advanced technology, integrated supply chains, and international operational capabilities will be better positioned to capitalise on opportunities arising from domestic substitution and industrial upgrading.

BUSINESS REVIEW

The Group is an established measuring and cutting tools trading centre operator in China. The Group 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 essential for product displaying and trading purposes, such that it primarily targets to provide units for use as shops for the tenants to display, trade and promote their measuring and cutting tools products to their downstream customers. In October 2022, the Group's 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, which expands the property leasing business for the measuring and cutting tools industry, and provides more value-added services. In 2025, the Group began developing the Project Shanhaitianqiao ("**Project Shanhaitianqiao**"), located in the core development zone of Wenqiao Town, to further expand its capabilities in property development and industrial park operation services.

In the first half of 2026, the Group remained firmly focused on high-quality development and its annual operating objectives. Led by provincial-level pilot initiatives, the Group coordinated efforts in project construction, global brand expansion, investment promotion and sales, and asset management, maintaining stable overall operations. The principal activity and source of revenue of the Group were derived from the property leasing business through our operation of the Trading Centre and the Science and Technology Innovation Park and the sale of certain units in the Science and Technology Innovation Park; the Group also continued to proceed with the property development effort of the Project Shanhaitianqiao. For the six months ended 30 June 2026, there is no material change in the business of the Group, while our revenue slightly decreased by approximately 2.4% to approximately RMB33.6 million compared to the same period last year, and our profit for the Reporting Period increased by approximately 17.3% to approximately RMB8.7 million compared to the same period last year, primarily due to a decrease in valuation losses on investment properties of approximately RMB1.9 million for the six months ended 30 June 2026 as compared to the corresponding period in last year.

Property Leasing Business – 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 product displaying purposes 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 30 June 2026, the value of the Trading Centre was RMB801.0 million (31 December 2025: RMB812.0 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, and 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; the underground parking garage has undergone a smart upgrade and is equipped with multiple charging stations. We also provide property management service and support services, including the "Wenling • China Measuring and Cutting Tools Index" (「温嶺 • 中國工量刃具指數」) and the measuring and cutting tools financing service, to the tenants. As at 30 June 2026, the Trading Centre had 629 tenants (31 December 2025: 621 tenants).

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

	For the six months ended 30 June	
	2026	2025
	Average monthly effective rent *(in RMB per sq.m.)*	Average monthly effective rent *(in RMB per sq.m.)*
First floor	**386.5**	351.44
Second floor	**200.2**	187.2
Third floor	**49.7**	49.7
Basement	**17.1**	17.1

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

For the six months ended 30 June 2026, the total LFA of the Trading Centre and the percentage of LFA leased to our tenants are 24,110.68 sq.m. and 97.4% (for the year ended 31 December 2025: 24,100.68 sq.m. and 97.0%), respectively. The percentage of LFA leased is calculated as the percentage of LFA retained and leased by the Company to the tenants comparing to the LFA for each of the periods indicated.

In February 2026, the Trading Centre was successfully selected for Zhejiang Province's first batch of pilot projects for high-quality development of specialised markets, becoming the only market in Wenling City to make the list. During the Reporting Period, guided by its provincial pilot responsibilities, the Trading Centre actively developed a "market + cross-border e-commerce" model. It maintained a balanced focus on market-oriented operations and asset revitalisation, promoting vacant stalls and supporting commercial properties through new media campaigns and offline exhibition matchmaking, while strengthening the compliant operation of supporting assets such as advertising spaces and warehouses. The Trading Centre also completed open bidding and contract signing for management service units – including market property, security, and cleaning services – to continuously improve management efficiency and cost-effectiveness. Furthermore, the Trading Centre was successfully recognised as a "Wenling Model Collective," further enhancing its corporate image and social influence.

Property Leasing Business – 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 is 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 to allow upstream manufacturers to conduct manufacturing and production of measuring and cutting tools (as compared with the 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. During the Reporting Period, the Group continued to promote the leasing of vacant properties within the park, routinely conducted special inspections and patrols covering fire safety, electricity and gas usage, and the storage of hazardous chemicals, and enhanced services through visits to tenant companies to ensure the safe and stable operation of the parks.

As at 30 June 2026, the fair value of the Science and Technology Innovation Park was approximately RMB171.3 million (31 December 2025: RMB172.8 million), the interest of which was wholly owned by the Group.

As at 30 June 2026, a total of 27 (31 December 2025: 25) enterprises have been introduced to the Science and Technology Innovation Park. The following table sets forth the information regarding the average monthly effective rent per square meter for the leased area in the Science and Technology Innovation Park in each of the periods indicated.

	For the six months ended 30 June	
	2026	2025
	Average monthly effective rent ***(in RMB per sq.m.)***	Average monthly effective rent *(in RMB per sq.m.)*
Factories	**13.5**	15.5
Dormitories	**22.0**	22.4
Basement	**20.9**	20.9

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

For the six months ended 30 June 2026, 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 48.3% (for the year ended 31 December 2025: 56,365.90 sq.m. and 72.0%), respectively. The percentage of LFA leased is calculated as the percentage of LFA retained and leased by the Company to the tenants comparing to the LFA for each of the periods indicated.

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 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.

As of 30 June 2026, the complex had attracted an eight-member Ph.D. team led by a nationally recognised leading talent; the development of innovation platforms – including the Zhejiang Provincial Key Laboratory of Measuring and Cutting Tools* (浙江省工量刃具重點實驗室), the Taizhou Ph.D. Innovation Station* (台州市博士創新站), and the International Joint Laboratory for Advanced Coating Technologies* (先進塗層技術國際聯合實驗室) – is progressing steadily. The supply-and-demand platform jointly operated by the Group has integrated data from over 100 Wenling-based enterprises and attracted nearly 200 industry experts, providing resources such as interpretations of industrial policies and supply chain matching services to businesses; the Industrial Internet Platform for Measuring and Cutting Tools – jointly developed with the Wenling Research Institute of Taizhou University* (台州學院溫嶺研究院) – also continues to operate.

In the first half of 2026, the Group co-hosted the 19th China (Wenling) Measuring and Cutting Tools Exhibition, which featured 412 booths and attracted 314 participating companies from 20 provinces across the country, with on-site sales reaching RMB252 million. During the exhibition, the Group also actively promoted the Project Shanhaitianqiao and the Wenling Measuring and Cutting Tools Industrial Belt brand, fostering the coordinated development of the exhibition economy, project investment promotion, and brand building.

Property Development – Project Shanhaitianqiao

The Project Shanhaitianqiao is located in the core development zone of Wenqiao Town, with a site area of approximately 19,271 sq.m.. According to current plans, the total gross floor area is expected to be approximately 69,850.02 sq.m., and it will be developed to be two 16-story commercial office buildings and one 5-story commercial building. The project's total investment is expected to be approximately RMB322.7 million (including land acquisition costs). Of this, approximately 35,024.43 sq.m. of gross floor area will be retained by the Group for investment and leasing purposes, while the remaining approximately 34,825.59 sq.m. will be available for sale upon completion. The project is expected to be completed in the fourth quarter of 2027.

During the Reporting Period, the construction of cement-mixed piles and static load tests for the pile foundation work of the Project Shanhaitianqiao were fully completed; the construction of support beams entered the final stages; and construction of the foundation for the second basement level began in certain sections. In May 2026, the Group simultaneously launched preparations for the sale of the office building and finalised its marketing strategy, receiving a cumulative total of 78 valid registrations of interest, thereby laying the groundwork for subsequent public sales and the construction of the main structure.

As at 30 June 2026, the cumulative actual costs incurred for the Project Shanhaitianqiao totaled approximately RMB103.8 million, which were recognised as approximately RMB51.7 million in properties under development held for sale and approximately RMB53.6 million in investment properties measured at fair value, respectively.

Cross-Border E-Commerce Brand Overseas Projects

In June 2023, the Group officially launched the cross-border e-commerce brand overseas project for the industrial cluster of measuring and cutting tools. Based on the Zhejiang Measuring and Cutting Tools Trading Centre and in collaboration with the Wenling Municipal Commerce Bureau, we developed a cross-border e-commerce brand for the industrial cluster. In 2025, the Group established a Cross-Channel Marketing Department to systematically advance the online and offline business expansion of its own brand, "WENCERL."

In the first half of 2026, the Group seized the opportunity presented by the pilot program for high-quality development of provincial-level specialised markets to accelerate the establishment of the "market + cross-border e-commerce" model. The "WENCERL" standalone website recorded a transaction value of nearly US$200,000; during the first phase of the 139th China Import and Export Fair (Canton Fair), the "WENCERL" brand made its public debut, engaging with 115 groups of overseas buyers on-site and securing 15 expressions of interest for sample orders. During the Reporting Period, the Group also launched a re-design of its standalone website, advanced targeted advertising campaigns on Google Ads and Facebook Ads, and managed content on overseas social media platforms, thereby continuously refining its overseas brand communication matrix. As at 30 June 2026, the Group have recognised a sale income of approximately RMB0.6 million.

OUTLOOK

Looking ahead to the second half of the year, uncertainty remains regarding the global economic and trade environment and raw material prices, and structural divergence in downstream demand may continue. However, the manufacturing sector's shift toward high-end, smart, and green upgrades, the rebound in demand for metal-cutting machine tools, as well as domestic substitution and companies expanding overseas, will continue to present development opportunities for the measuring and cutting tools industry. The Group will closely monitor changes in market demand, raw material prices, and foreign trade policies, while continuously enhancing its platform services, industrial synergy, and risk management capabilities.

The Group will focus on accelerating project progress and improving the quality of cross-border operations, making every effort to advance the main structure construction of the Project Shanhaitianqiao, prepare for the public sale of office buildings, and secure project financing from banks. Meanwhile, the Group will continue to optimise the operations of the "WENCERL" standalone website and overseas social media channels, accelerate the conversion of sample requests from the Canton Fair and inquiries received via the standalone website, and drive the establishment of a physical cross-border e-commerce operations center to integrate online product selection, supply chain services, and offline market resources.

In terms of property leasing, the Group will fully launch a new round of five-year lease tenders for 137 booths on the third floor of the Trading Centre, complete the assessment of minimum rent prices and related procedures, and continue to promote the leasing of vacant booths and commercial properties through new media and trade show channels to enhance asset utilisation efficiency. The Group will also leverage platforms such as the China (Wenling) Measuring and Cutting Tools Exhibition and the Machine Tool and Tools Exhibition to deepen brand promotion and facilitate foreign trade connections, thereby consolidating the Trading Centre's overall competitiveness and social influence.

FINANCIAL REVIEW

Revenue

Total revenue slightly decreased by approximately 2.4% from approximately RMB34.5 million for the six months ended 30 June 2025 to approximately RMB33.6 million for the six months ended 30 June 2026, mainly driven by a decrease in rental rate and areas leasing to a connected party, which partially offset a new e-commerce business income, for the six months ended 30 June 2026 as compared to the corresponding period last year. The revenue from property leasing were at approximately RMB32.6 million and approximately RMB31.0 million for the six months ended 30 June 2025 and 2026, respectively. The Group launched a new e-commerce business in the early of 2026 for trading measuring and cutting tools which generated a revenue of approximately RMB0.6 million for the six months ended 30 June 2026.

Cost of Sales

Cost of sales increased by approximately 7.1% from approximately RMB7.5 million for the six months ended 30 June 2025 to approximately RMB8.1 million for the six months ended 30 June 2026, mainly because an increase in costs of new e-commerce business for the six months ended 30 June 2026 as no such costs for the six months ended 30 June 2025.

Gross Profit and Gross Profit Margin

Gross profit decreased by approximately 5.1% from approximately RMB26.9 million for the six months ended 30 June 2025 to approximately RMB25.6 million for the six months ended 30 June 2026, mainly because increase in costs of sales. As a results, the gross profit margin decreased from approximately 78.2% for the six months ended 30 June 2025 to approximately 76.0% for the six months ended 30 June 2026.

Valuation Losses on Investment Properties

The valuation losses on investment properties decreased by approximately 15.0% from approximately RMB12.9 million for the six months ended 30 June 2025 to approximately RMB11.0 million for the six months ended 30 June 2026. The valuation of the investment properties declined further due to lower comparable market rents and land use rights terms.

Administrative Expenses

Administrative expenses decreased by approximately 43.4% from approximately RMB4.2 million for the six months ended 30 June 2025 to approximately RMB2.4 million for the six months ended 30 June 2026, mainly because a decrease in professional fees in relation to acquisition of the land used in the Project Shanhaitianqiao.

Income Tax Expenses

Income tax expenses increased by approximately 21.3% from approximately RMB2.4 million for the six months ended 30 June 2025 to approximately RMB2.9 million for the six months ended 30 June 2026, mainly because a decrease in deferred tax of approximately RMB0.5 million for the six months ended 30 June 2026 as compared to the last year. The effective tax rate increased from approximately 24.4% for the six months ended 30 June 2025 to approximately 25.1% for the six months ended 30 June 2026.

Profit for the Period and Net Profit Margin

As a result of the foregoing, profit for the Reporting Period increased by approximately 17.3% from approximately RMB7.4 million for the six months ended 30 June 2025 to approximately RMB8.7 million for the six months ended 30 June 2026. The Group's net profit margin increased from approximately 21.5% for the six months ended 30 June 2025 to approximately 25.9% for the six months ended 30 June 2026, mainly due to a decrease in valuation losses on investment properties.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's operations are primarily financed by cash generated from operating activities and bank borrowings. As at 31 December 2025 and 30 June 2026, the Group had cash and cash equivalents of approximately RMB18.9 million and RMB8.4 million, respectively. The decrease in cash and cash equivalents is mainly attributable to cash used in operation and payment of construction costs of the Project Shanhaitianqiao in relation to investment property and payment of dividend of approximately RMB31.9 million, approximately RMB21.0 million and approximately RMB9.6 million, respectively, which was partially offset by the proceeds from borrowings of approximately RMB56.9 million during the six months ended 30 June 2026.

Funding and Treasury Policy

The Group monitors its cash flows and cash balance on a regular basis and seeks to maintain an optimal level of liquidity that can meet the working capital needs while supporting a healthy level of business operation and its various growth strategies. In the future, the Group will continue to rely on cash flows from operation and other debt and equity financing to fund its working capital needs and finance part of its 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 of the Group is low. For the six months ended 30 June 2026, the Group did not use any financial instrument for hedging the foreign currency risk.

Bank Loans and Charge on Assets

As at 30 June 2026, the Group have short-term bank loans of approximately RMB24.6 million (31 December 2025: RMB Nil) denominated in Renminbi at effective interest rate with a range between 2.9% and 3.3% (31 December 2025: Nil).

As at 30 June 2026, the Group have a long-term bank loan of approximately RMB32.3 million (31 December 2025: RMB Nil) denominated in Renminbi at effective interest rate of 2.95% (31 December 2025: Nil), which will be matured from November 2029 to May 2041.

As at 30 June 2026, certain general banking facilities of RMB578.9 million (31 December 2025: RMB308.9 million) were secured by the investment properties and properties under development for sales of approximately RMB363.2 million and approximately RMB51.7 million, respectively (31 December 2025: RMB309.6 million and RMB Nil).

Gearing Ratio

The gearing ratio increased from nil as at 31 December 2025 to 7.1% as at 30 June 2026, such increase was a result of an increase in bank loans of approximately RMB56.9 million.

Gearing ratio equals total debt divided by total equity as at the end of the year. Total debt includes all interest-bearing bank loans.

Capital Expenditure

For the six months ended 30 June 2026, the capital expenditure of the Group was approximately RMB21.0 million (30 June 2025: approximately RMB14.4 million). The increase in the capital expenditure incurred for the six months ended 30 June 2026 was primarily due to payment for the construction of the Project Shanhaitianqiao.

Capital Commitments

As at 30 June 2026, the capital commitments of the Group in respect of investment properties amounted to approximately RMB205.2 million (31 December 2025: approximately RMB214.9 million).

Contingent Liabilities

As at 30 June 2026, the contingent liabilities of the Group amounted to approximately RMB64.0 million (31 December 2025: RMB79.4 million) in relation to the mortgage loan guarantees provided by the Group to the banks in favour of its customers. The Group provides mortgage loan guarantees to banks in favour of its customers for security to the mortgage loans granted, and the property ownership certificates of the respective properties were pledged for such mortgage loans and will be released upon satisfaction of conditions. 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 of these financial guarantee contracts is remote. Accordingly, no contingent liabilities has been recognised at the inception of the guarantee contracts as at 30 June 2026 and 31 December 2025.

SIGNIFICANT INVESTMENTS HELD, AND MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not hold any significant investments and did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2026.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the paragraphed "Outlook" in this announcement, as at 30 June 2026, the Group did not have any immediate plans for material investments and capital assets.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 36 employees (31 December 2025: 36 employees). For the six months ended 30 June 2026, the Group incurred total staff costs of approximately RMB2.0 million (30 June 2025: RMB2.1 million), representing an decrease of approximately 5.4% as compared with those for the six months ended 30 June 2025.

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

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the main board of the Stock Exchange (the "**Global Offering**") on 30 December 2020 (the "**Listing Date**"). The net proceeds from the Company's issue of a total of 20,000,000 new H Shares in the Global Offering, at a final offer price of HK$6.25 per H Share, amounted to approximately HK$61.9 million (after deducting underwriting commissions and related listing expenses which amounted to approximately RMB52.1 million). For the period from the Listing Date to 30 June 2026, the Company had utilised net proceeds from the Global Offering amounting to approximately RMB43.5 million. The Company intends to use the remaining net proceeds in the same manner and proportion as set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 11 December 2020 (the "**Prospectus**").

During the period from the Listing Date and up to 30 June 2026, the Group has applied the net proceeds as follows:

Usage		Budgeted amount as set out in the Prospectus	Proceeds brought forward from 31 December 2025	Usage during the six months ended 30 June 2026	Remaining balance as at 30 June 2026	Expected timeline of full utilisation of the balance
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	
– 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	1,865	–	8,547	December 2026
– General working capital and other general corporate purposes	10.0	5,205	5,205	–	–	–
	100.0	52,058	43,511	–	8,547	

As at 30 June 2026, the unused balance of the net proceeds from the Global Offering of approximately RMB8.5 million 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 utilised by December 2026.

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.

SHARE CAPITAL

The share capital structure of the Company as at 30 June 2026 is set out as follows:

Class of shares	Number of shares	Proportion (%)
Domestic Shares	60,000,000	75.00
H Shares	20,000,000	25.00
Total	80,000,000	100.00

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (2025: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2026 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 including sale of treasury shares (as defined under the the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")). As at 30 June 2026, the Company did not hold any treasury shares.

DIRECTORS' AND SUPERVISORS' COMPETING INTERESTS

None of the controlling Shareholders, Directors and supervisors of the Company (the "**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 Directors recognise the importance of incorporating elements of good corporate governance in the management structure and internal control procedures of the Group so as to achieve effective accountability. The Company is committed to maintaining high standards of corporate governance and protect the interests of the Shareholders in an open manner.

The Board comprises two executive Directors, three non-executive Directors and three independent non-executive Directors. 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 six months ended 30 June 2026 and up to the date of this announcement, the Company has fully complied with the Code Provisions.

Save as disclosed, the Company strictly complied with the CG Code for the six months ended 30 June 2026. The Directors will review the corporate governance policies and compliance with the CG Code each financial year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (as set out in appendix C3 to the Listing Rules) (the "**Model Code**") 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 throughout the six months ended 30 June 2026 and up to the date of this announcement.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed above, there is no material event subsequent to 30 June 2026 which would materially affect the Group's operating and financial performance as at the date of this announcement.

PUBLICATION OF 2026 INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.cnglj.com) and the 2026 Interim Report containing all the information required by the Listing Rules will be published on the above websites in due course.

AUDIT COMMITTEE

The audit committee of the Company has reviewed together with the management 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 interim results of the Group for the six months ended 30 June 2026.

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

Wenling City, the PRC, 25 August 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 Chunhui, Ms. He Liyun and Mr. Wong Ka Wai as independent non-executive Directors.

* *For identification purposes only*