

# TARGET

## Intelligence Report

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### WENLING ZHEJIANG MEASURING AND CUTTING TOOLS TRADING CENTRE COMPANY LTD

**THE 2023 FINANCIAL YEAR WAS NOWHERE  
NEAR THE COMPANY'S BEST; AND,  
THERE IS NO INDICATION THAT THE CURRENT YEAR  
WILL BE AN IMPROVEMENT OVER THE PREVIOUS ONE !**

Wenling Zhejiang Measuring and Cutting Tools Trading Centre Company Ltd (溫嶺浙江工量刃具交易中心股份有限公司) (Code: 1379, Main Board, The Stock Exchange of Hongkong Ltd), having been listed on the premier equity market of The Hongkong Special Administrative Region (HKSAR) of The People's Republic of China (PRC) on or about December 30, 2020, is, de facto, an entity of The Wenling State-Owned Assets Supervision and Administration Commission (溫嶺市國有資產監督管理委員會), being the ultimate controlling party of the Group of Companies.

In short, the PRC Government has absolute control over the entire businesses of the Wenling Zhejiang Measuring and Cutting Tools Trading Centre Company Ltd if needs be determined.

The Chairman of The Board of Directors of the Company, as at Wednesday, March 27, 2024, was, and, presumably, still is, Mr Pan Hai Hong (潘海鴻).

At Pages Five and Six of the 2023 Annual Report of the Company, with regard to the Financial Year, ended December 31, 2023, this 47-year-old gentleman took the trouble to pen his Chairman's Statement for the benefit of shareholders as follows:

*'... In 2023, China's industrial economy recovered steadily amid fluctuations, and the resilience of development was further enhanced. While the real estate industry experiences a downturn, the importance of the manufacturing industry as the main body of the national economy is self-evident. In 2023, the manufacturing industry has made significant progress in technological innovation, digital transformation and sustainable development. The measuring and cutting tools are also known as "teeth" of machine tools, and is one of the key technologies for intelligent high-end manufacturing. With the recovery of the economy, the demand for measuring and cutting tools has increased.*

*‘As the largest measuring and cutting tools trading market in China, the Group has been deeply engaged in the industry since its establishment, with service targets ranging from retailers to manufacturers throughout the industry. In the face of opportunities and challenges brought by the industry, the Group adjusted its business strategy in a timely manner according to the periodic trend and policy direction of the industry. In 2023, the Group focused on the annual high-quality development performance indicators, with main body upgrade, collective cultivation, innovative leadership and business environment as the driving force, and with project construction and refined management as the means, playing to the advantages of “market + industry”, and ensuring the orderly progression of various tasks.*

*‘As at 31 December 2023, the occupancy rate of the measuring and cutting tools trading centre in Wenling City, Zhejiang Province (the “**Trading Centre**”) was approximately 98.1%, as compared to approximately 97.5% of the corresponding period of last year, without much change. For the year ended 31 December 2023, the Group’s revenue from property leasing and other income amounted to RMB 65.0 million and RMB 3.6 million respectively, representing an increase of approximately 14.6% and 23.7% respectively as compared with the corresponding period of last year.*

## **‘OUTLOOK**

*‘According to the data jointly released by the National Bureau of Statistics of China and China Federation of Logistics and Purchasing, in January 2023, the Purchasing Manager Index (**PMI**) of China’s manufacturing industry was 50.1%, representing an increase of 3.1% over the previous month and above the critical point, and the general trend of the manufacturing industry has rebounded significantly. Looking forward to 2024, the general trend on the consumer end is steadily on the rise, which is also a warm indicator for manufacturing. This will continue to increase the consumption of machine tools, which will promote the demand and price of measuring and cutting tools to a certain extent.*

*‘China’s manufacturing industry is facing challenges brought by the uncertainty of global market fluctuations, and the process of supply chain reshaping also creates opportunities. In the future, the digital market of China’s manufacturing industry will maintain a relatively rapid growth rate. Currently, China’s manufacturing industry is rich in categories and varieties, and the next step is to strive to develop the high-end manufacturing industry and achieve comprehensive improvement. The state will vigorously support the development of high-end manufacturing, which will bring new opportunities to the measuring and cutting tools industry.*

*‘The Group’s principal business is the measuring and cutting tools market and the operation and management of industrial parks, and plans to further provide park operation services and professional integrated*

*services in addition to carrying out its leasing business through self-building and operation. Phase I of the science and technology innovation park project is well on its track, and under the background of the continuous boom of the measuring and cutting tools industry, phase II of the science and technology innovation park project is planning to be constructed. In addition, the Group plans to integrate its existing resources to provide customers with ancillary value-added services such as logistics, property and e-commerce. By exploring upstream and downstream acquisition opportunities and establishing a cross-border e-commerce overseas team, the Group will continue to diversify its business and establish the Group as an integrated service provider for the leasing, operation and services of the measuring and cutting tools industrial park...’.*

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