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## **Zhejiang Cangnan Instrument Group Company Limited**

**浙江蒼南儀錶集團股份有限公司**

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

**(Stock code: 1743)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ESTABLISHMENT OF THE LIMITED PARTNERSHIP**

Reference is made to the announcement dated 11 December 2020 of Zhejiang Cangnan Instrument Group Company Limited (the “**Company**”), which was published on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company, in relation to the establishment of the Limited Partnership (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise specified herein.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to provide the shareholders (the “**Shareholders**”) and potential investors of the Company with the following further information in relation to the Limited Partnership:

#### **INVESTMENT DECISION COMMITTEE**

The Limited Partnership shall establish an investment decision committee (the “**Investment Decision Committee**”) to make collective decisions on investment opportunities and be responsible for the Limited Partnership. The Investment Decision Committee will comprise three members, two of whom will be appointed by the General Partner and one of whom will be appointed by the Company. Decisions made by Investment Decision Committee shall be passed unanimously by three members.

#### **WENZHOU SCIENCE AND TECHNOLOGY INNOVATION GOVERNMENTAL FUND**

The Limited Partnership shall be principally engaged in the investment in Wenzhou Science and Technology Innovation Governmental Fund (the “**Fund**”). Wenzhou Science and Technology Innovation Governmental Fund is an industrial guidance fund invested by the local government. As a professional equity venture fund, the Fund invests in areas of advanced manufacturing, big consumption and high technology. In general, the Fund’s investment targets are among the top three enterprises in the industry with net profit exceeding RMB30 million.

## **INFORMATION ON THE GENERAL PARTNER**

Wenzhou Lianchuang is a limited liability company established in the PRC, principally engaged in investment management and financial consulting. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Wenzhou Lianchuang is owned as to 65% and 35% by Mr. Zhang Feng and Hangzhou Lianchuang Investment Management Co., Ltd.\* (杭州聯創投資管理有限公司) (“**Hangzhou Lianchuang**”), respectively.

Mr. Zhang Feng is the legal representative of Wenzhou Lianchuang and the vice president of Hangzhou Lianchuang. Mr. Zhang Feng graduated from Zhejiang Agricultural University and has extensive project resources in the areas of high-end manufacturing, big culture and big consumption, as well as more than 10 years of experience in investment. Mr. Zhang Feng participated in investment projects such as CHS Media (強視傳媒), Beijing Xinwei (北京信威), Bluesky Landscape (藍天園林), and Huatuo Financial Services (華拓金服), as well as listed company investment such as Canaan Technology (SHE300412), the largest supplier of solid dosage form pharmaceutical equipment in China, and Zhejiang Linuo (SHE300838), both of which are listed companies on the ChiNext Board of Shenzhen Stock Exchange.

Established in October 2008, Hangzhou Lianchuang has 18 funds under management with fund size exceeding RMB4 billion under its management, mainly investing in industries such as Technology, Media, Telecom (“**TMT**”), cultural media, intelligent hardware and game. The enterprises that Hangzhou Lianchuang invests in include Tatwah Smartech (達華智能), a leading professional manufacturer of contactless smart cards, smart electronic labels and RF card reader devices in the PRC; Kugou Music (酷狗音樂), a leading interactive service provider of Internet digital music in the PRC; Yunmai Technology (雲麥科技), a smart hardware company in the area of big health; and Chunghsin Technology (中新科技), a major consumer electronics manufacturer in the PRC.

Although Wenzhou Lianchuang was established in August 2017, based on the qualifications and investment experience of Mr. Zhang Feng and Hangzhou Lianchuang, in particular their experience in TMT industry investment, equity investment and capital market activities, the Directors are of the view that such track record of investment performance that Mr. Zhang Feng and Hangzhou Lianchuang possess will enable the Limited Partnership to capture investment opportunities and further diversify the investment portfolios of the Group.

## **THE REASONS FOR AND BENEFITS OF ESTABLISHMENT OF THE LIMITED PARTNERSHIP**

The investment in the form of equity participation in a limited partnership can obtain the support of professional investment managers and attract sophisticated and experienced investment teams to manage the Limited Partnership. By focusing on high-tech industries such as digital economy, new manufacturing, biomedicine and cultural creativity, the investment can effectively improve the efficiency and effectiveness of resource allocation in areas of technology and innovation, which facilitates the implementation of innovation strategies and brings investment returns and income to the Shareholders.

At the same time, in order to better play the decisive role of market allocation of innovation resources, the Company attempts to diversify investment to enrich income structure and optimise the capital utilisation rate to meet the development needs of the Company. The establishment of Limited Partnership is conducive to building a sound, flexible and effective innovative investment and financing service system for the Company to promote the leap-forward development of technological innovation.

By order of the Board  
**Zhejiang Cangnan Instrument Group Company Limited**  
**Hong Zuobin**  
*Chairman*

Hong Kong, 21 December 2020

*As at the date of this announcement, the Board comprises Mr. Hong Zuobin, Mr. Huang Youliang, Mr. Jin Wensheng, Mr. Yin Xingjing, Mr. Zhang Shengyi, Ms. Lin Zichan and Mr. Lin Zhongzhu as executive Directors, Mr. Ye Xiaosen and Mr. Hou Zukuan as non-executive Directors and Mr. Ng Jack Ho Wan, Mr. Wong Hak Kun, Mr. Wang Jingfu, Mr. Li Jing and Mr. Su Zhongdi as independent non-executive Directors.*

\* *For identification purpose only*