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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 limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1743)

MONTHLY UPDATE ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

This announcement is made by Zhejiang Cangnan Instrument Group Company Limited (the “**Company**”) pursuant to Rule 3.7 of The Code on Takeovers and Mergers (the “**Takeovers Code**”).

Reference is made to the announcement of the Company dated 5 February 2021 (the “**Announcement**”) in relation to, among other things, the Possible Share Buy-back, which if materializes, all the H Shares which will be repurchased by the Company will be delisted from the Stock Exchange and the Company will be privatized pursuant to the Takeovers Code. Unless otherwise specialized, capitalized terms used herein shall have the same meaning as those used in the Announcement.

PROGRESS OF THE POSSIBLE SHARE BUY-BACK

The Board wishes to update the Shareholders and potential investors that since the publication of the Announcement, the Company has completed the registration with the local SAFE in relation to the Possible Share Buy-back and the Company is finalizing the terms of the Possible Share Buy-back at this stage. However, Shareholders and potential investors are reminded to exercise caution when dealing with the Company’s H Shares as there is no assurance that the Possible Share Buy-back will be approved or consummated at last. Accordingly, the Possible Share Buy-back may or may not materialize.

MONTHLY ANNOUNCEMENT(S)

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) (this announcement being one of them) setting out the progress of the Possible Share Buy-back will be made by the Company until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

There is no assurance that the Possible Share Buy-back mentioned in this announcement will materialize or eventually be consummated and that the terms of the Possible Share Buy-back (including the Indicative Offer Price) are subject to further consideration by the Company and discussion with its financial advisor. Shareholders and public investors are urged to exercise extreme caution when dealing in the H Shares of the Company.

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

Hong Kong, 3 March 2021

As of 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.

All the directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.