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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)

VOLUNTARY ANNOUNCEMENT IN RELATION TO

- 1. THE CONDITIONAL CASH OFFER BY HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED ON BEHALF OF ZHEJIANG CANGNAN INSTRUMENT GROUP COMPANY LIMITED TO BUY-BACK ALL THE ISSUED H SHARES AT HK\$22.00 PER H SHARE;
AND**
- 2. PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES OF THE COMPANY ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

Financial Adviser to the Company



Independent Financial Adviser to the Independent H Shareholders



Reference is made to (i) the announcements of the Company dated 5 February 2021, 3 March 2021 and 12 March 2021 made pursuant to Rule 3.7 and Rule 3.5 respectively, of the Takeovers Code and; (ii) the offer document (the “**Offer Document**”) dated 1 April 2021 issued by Zhejiang Cangnan Instrument Group Company Limited (the “**Company**”), in relation to the Share Buy-back Offer and the Voluntary Withdrawal. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Offer Document.

The Company would like to inform the H Shareholders that a hotline of the Company's proxy and offer agent, Orient Capital Pty Limited at +852 3953 7250 (between 9:00 a.m. and 6:00 p.m. on Monday to Friday, excluding public holidays in Hong Kong) has been set up to answer any questions they may have concerning administrative or procedural matters, such as dates, documentation and procedures relating to the Share Buy-back Offer and the Voluntary Withdrawal.

The H Shareholders may also visit the Company's website at www.zjcnby.com and/or direct their questions to the Company by email at investor@zjcnby.com.

For the avoidance of doubt, the hotline cannot and will not provide any advice on the merits or risks of the Share Buy-back Offer and the Voluntary Withdrawal or give any financial or legal advice. If the H Shareholders are in doubt as to any aspect of the Offer Document or action to be taken, they should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

WARNING

The Share Buy-back Offer is conditional upon the satisfaction of the conditions as described in the Offer Document. Accordingly, the Share Buy-back Offer may or may not become unconditional and the issue of the Offer Document does not imply that the Share Buy-back Offer or the Voluntary Withdrawal will be completed. The Directors strongly recommend the Independent H Shareholders not to form a view on the Share Buy-back Offer unless and until they have received and read the Offer Document, including the letter of advice from Gram Capital.

H Shareholders and potential investors are advised to exercise caution when dealing in the H Shares during the Offer Period, and if they are in any doubt about their position, they should consult their professional advisers.

Independent H Shareholders should note that if they do not accept the Share Buy-back Offer and such offer subsequently becomes unconditional in all respects and the Company is delisted from the Stock Exchange, it will result in such shareholders holding securities that are not listed on the Stock Exchange and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code depending on whether it remains as a public company in Hong Kong under the Takeovers Code.

Independent H Shareholders should also note that if they do not agree to the terms of the Share Buy-back Offer, they can vote against the Share Buy-back Offer and the Voluntary Withdrawal at the meetings. If more than 10% of the disinterested H Shares voted against the Share Buy-back Offer and the Voluntary Withdrawal at the H Shareholders Class Meeting, the Share Buy-back Offer would not become unconditional and the Company would remain listed on the Stock Exchange.

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

Hong Kong, 13 April 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.