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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)

ANNOUNCEMENT IN RELATION TO

- 1. VOLUNTARY UNCONDITIONAL OFFER BY HUATAI
ON BEHALF OF THE COMPANY FOR ALL THE ISSUED H SHARES IN
ZHEJIANG CANGNAN INSTRUMENT GROUP COMPANY LIMITED;**
- 2. CLOSING OF THE SHARE BUY-BACK OFFER AND
RESULTS OF THE SHARE BUY-BACK OFFER;**
- AND**
- 3. WITHDRAWAL OF LISTING**

Financial Adviser to the Company



INTRODUCTION

References are made to (i) the announcements of Zhejiang Cangnan Instrument Group Company Limited (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; (ii) the offer document (the “**Offer Document**”) dated 1 April 2021; and (iii) the announcements dated 13 April 2021, 30 April 2021 and 17 May 2021 issued by the Company in relation to the Share Buy-back Offer and the Voluntary Withdrawal; (iv) the announcement dated 17 May 2021 in relation to the poll results of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting; (v) the announcement dated 31 May 2021 issued by the Company in relation to the Share Buy-back Offer becoming unconditional in all respects; and (vi) the announcement dated 21 June 2021 in relation to the last day of trading of the H Shares. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Offer Document.

CLOSING OF THE SHARE BUY-BACK OFFER

The Company announces that the Share Buy-back Offer closed at 4:00 p.m. on 28 June 2021. The Company has not further extended the Share Buy-back Offer.

RESULTS OF THE SHARE BUY-BACK OFFER

As at 4:00 p.m. on the date of this announcement, valid acceptances of the Share Buy-back Offer had been received in respect of 17,853,937 H Shares, among which valid acceptances of the Share Buy-back Offer in respect of 17,853,937 H Shares were tendered by the Independent H Shareholders which represents approximately 99.74%, 99.74% and 25.58% of the H Shares held by the Independent H Shareholders, the entire issued H share capital and the total issued share capital, respectively, as at the date of this announcement.

As at the date of this announcement, save for any Domestic Shares held by the Directors, supervisors and senior management of the Company, or under the direction of such supervisor, i.e. Domestic Shares held by Huashi LP as set out in the shareholding table on page 17 to 18 to the Offer Document, the Company, the Directors and parties acting in concert with any of them do not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

Save for the Shares to be acquired under the Share Buy-back Offer, none of the Company, the Directors and parties acting in concert with any of them has (i) acquired or agreed to acquire any Shares or the rights over Shares during the Offer Period; or (ii) borrowed or lent any Shares of the Company during the Offer Period. Before commencement of the Offer Period, the Company and its concert parties which includes the Company’s Directors, supervisors and senior management and parties acting in concert with any of them, held 32,548,700 Domestic Shares, representing approximately 62.73% of the total number of Domestic Shares and approximately 46.64% of the total issued share capital of the Company.

SETTLEMENT OF THE SHARE BUY-BACK OFFER

Provided that the accompanying Form of Acceptance for the H Shares, together with the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Share Registrar no later than 4:00 p.m. on the Final Closing Date, a cheque for the amount due to each of the accepting Independent H Shareholders in respect of the H Shares tendered under the Share Buy-back Offer (less seller's ad valorem stamp duty payable by him/her/it) will be despatched to the accepting Independent H Shareholders by ordinary post at his/her/its own risk as soon as possible but in any event within seven Business Days from the date of receipt of all relevant documents to render such acceptance complete and valid by the Share Registrar in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Independent H Shareholder is entitled under the Share Buy-back Offer will be paid by the Company in full in accordance with the terms of the Share Buy-back Offer (save in respect of the payment of seller's ad valorem stamp duty, as the case may be) set out in the Offer Document (including Appendix I thereto) and the accompanying Form of Acceptance, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Company may otherwise be, or claim to be, entitled against such Independent H Shareholder.

WITHDRAWAL OF LISTING

The Stock Exchange has approved the withdrawal of listing of the H Shares from the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules by way of a capital reorganization. The listing of the H Shares on the Stock Exchange will be withdrawn with effect from 9:00 a.m. on Monday, 5 July 2021.

NO RIGHT OF COMPULSORY ACQUISITION

The Company has no rights under the laws of the PRC and the Articles of Association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the Share Buy-back Offer. **Accordingly, the Independent H Shareholders are reminded that if they had not accepted the Share Buy-back Offer, and upon the delisting of the H Shares from the Stock Exchange, the Independent H Shareholders will be 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 after completion of the Share Buy-back Offer depending on whether it remains as a public company in Hong Kong for the purposes of the Takeovers Code thereafter.**

IMPORTANT NOTICE TO NOMINEES

If you act as a nominee for other persons who are the beneficial shareholders of the H Shares, please inform the relevant beneficial owners of the contents of this announcement.

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

Hong Kong, 28 June 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.