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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to 2018 Annual Report of Zhejiang Cangnan Instrument Group Company Limited (the “**Company**”) published on 25 April 2019 (the “**2018 Annual Report**”) and 2019 Interim Report of the Company published on 27 September 2019 (the “**2019 Interim Report**”). Capitalised terms used herein shall have the same meanings ascribed to them in the 2018 Annual Report and the 2019 Interim Report unless defined otherwise.

It has recently come to the attention of the directors of the Company that due to clerical errors, which were inadvertent and regretful, certain information contained in the tables of substantial shareholders’ interests in the Shares on page 33 of the 2018 Annual Report and page 19 of the 2019 Interim Report was incorrect. The revised tables with information of the substantial shareholders’ interests in the Shares for each of the 2018 Annual Report and the 2019 Interim Report, based on the records in the register required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance as at the date of the 2018 Annual Report and 30 June 2019, respectively, are as follows (with the amendments underlined in each table for ease of reference):

Revised table of substantial shareholders’ interests in the Shares for the 2018 Annual Report

Name of Shareholders	Class of Shares	Capacity	Number of Shares/Underlying Shares Held (share)	Percentage of Relevant Class of Share Capital (%)	Percentage of Total Share Capital (%)
Mr. Hong Zuobin	Domestic Shares	Legal and Beneficial Owner	9,253,400	17.83%	13.26%
Mr. Huang Youliang	Domestic Shares	Legal and Beneficial Owner	6,697,900	12.91%	9.60%
ZS Capital Fund SPC (on behalf of ZS Investment Fund SP) ¹	H Shares	Legal and Beneficial Owner	<u>4,923,800</u>	<u>27.51%</u>	<u>7.06%</u>
Mr. Deping Xi ¹	H Shares	Interest held by controlled corporation	<u>4,923,800</u>	<u>27.51%</u>	<u>7.06%</u>
Mr. Qiu Yanjie	<u>H Shares</u>	<u>Legal and Beneficial Owner</u>	<u>2,658,000</u>	<u>14.85%</u>	<u>3.81%</u>
Huashi LP	Domestic Shares	Legal and Beneficial Owner	4,912,000	9.47%	7.04%

Name of Shareholders	Class of Shares	Capacity	Number of Shares/Underlying Shares Held (share)	Percentage of Relevant Class of Share Capital (%)	Percentage of Total Share Capital (%)
Changhua LP	Domestic Shares	Legal and Beneficial Owner	4,830,000	9.31%	6.92%
Dongxing LP	Domestic Shares	Legal and Beneficial Owner	4,741,000	9.14%	6.79%
Cangyi LP	Domestic Shares	Legal and Beneficial Owner	4,699,000	9.06%	6.73%

Notes:

- Mr. Deping Xi is deemed to be interested in the equity interests held by ZS Capital Fund SPC on behalf of ZS Investment Fund SP, due to the fact that Mr. Deping Xi holds all the shares in ZS Capital Fund SPC.

Revised table of substantial shareholders' interests in the Shares for the 2019 Interim Report

Name of Shareholders	Class of Shares	Capacity	Number of Shares/Underlying Shares Held (share)	Percentage of Relevant Class of Share Capital (%)	Percentage of Total Share Capital (%)
Mr. Hong Zuobin	Domestic Shares	Legal and Beneficial Owner	9,253,400	17.83%	13.26%
Mr. Huang Youliang	Domestic Shares	Legal and Beneficial Owner	6,697,900	12.91%	9.60%
ZS Capital Fund SPC (on behalf of ZS Investment Fund SP) ¹	H Shares	Legal and Beneficial Owner	<u>4,923,800</u>	<u>27.51%</u>	<u>7.06%</u>
Mr. Deping Xi ¹	H Shares	Interest held by controlled corporation	<u>4,923,800</u>	<u>27.51%</u>	<u>7.06%</u>
<u>Mr. Qiu Yanjie</u>	<u>H Shares</u>	<u>Legal and Beneficial Owner</u>	<u>2,658,000</u>	<u>14.85%</u>	<u>3.81%</u>
Huashi LP	Domestic Shares	Legal and Beneficial Owner	4,912,000	9.47%	7.04%
Changhua LP	Domestic Shares	Legal and Beneficial Owner	4,830,000	9.31%	6.92%
Dongxing LP	Domestic Shares	Legal and Beneficial Owner	4,741,000	9.14%	6.79%
Cangyi LP	Domestic Shares	Legal and Beneficial Owner	4,699,000	9.06%	6.73%

Save for the clarification of the tables of the substantial shareholders' interests in the Shares in manner set out above, the contents of the 2018 Annual Report and 2019 Interim Report remain unchanged.

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

Hong Kong, 3 March 2020

As of the date of this announcement, the Board comprises Mr. Hong Zuobin, Mr. Huang Youliang, Mr. Yin Xingjing, Mr. Zhang Shengyi, Ms. Lin Zichan, Mr. Lin Zhongzhu and Mr. Lin Jingdian 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.