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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)

PROFIT WARNING

This announcement is made by Zhejiang Cangnan Instrument Group Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available, the Group expects to record a decrease in the net profit for the financial year ended 31 December 2019 (the “**Reporting Period**”) by approximately 25% to 35%, as compared to the financial year of 2018, which was primarily due to the following reasons: (1) affected by the natural gas industry, the Company’s measurement business experienced a decline during the Reporting Period; and (2) in order to gain further insight into the market and accurately grasp the market, the Company strengthened its sales support services to customers and continued to increase its investment in market services during the Reporting Period, which resulted in an increase in sales expenses, thus bringing about an impact on the net profit.

The Company is currently still in the process of finalising the Group’s annual results for the year ended 31 December 2019. This announcement is only a preliminary assessment by the Board based on the information currently available, and the annual results of the Company are still subject to audit by the Company’s auditor and may be different from the current preliminary assessment by the Board. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2019.

The Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 24 February 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.