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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 WINNING TENDER SELECTED FOR PROJECTS IN THE FIRST QUARTER OF 2020

This announcement is made by Zhejiang Cangnan Instrument Group Company Limited (the “**Company**”) on a voluntary basis to update the Shareholders and potential investors of the Company on the latest business development of the Company.

The board of Directors (the “**Board**”) of the Company is pleased to announce that the Company was selected for the winning tender in project bidding of Ganghua Investment Co.,Ltd., China Resources Gas Group Limited and China National Petroleum Corporation (the “**Energy Companies**”) in the first quarter of 2020, namely, being listed as a supplier of the Energy Companies and the Energy Companies shall purchase products from the Company for the validity period projects according to their own needs (“**Selected for Wining Tender**”). The basic information of the selected winning tender projects is as follows:

Project Name	Project No.	Tenderer	Scope of the Tender	Results of the Tender
Competitive Sourcing of Turbine Flowmeters by the Kong WAH Group for 2020-2021 (2020-2021年度港華集團渦輪流量計之競價採購)	HCIL-T-1912032	Ganghua Investment Co.,Ltd.	Turbine flowmeter	Selected for Wining Tender
Competitive Sourcing of Rotary Flowmeters by the Kong WAH Group for 2020-2021 (2020-2021年度港華集團羅茨流量計之競價採購)	HCIL-T-1912031	Ganghua Investment Co.,Ltd.	Rotary flowmeter	Selected for Wining Tender

Project Name	Project No.	Tenderer	Scope of the Tender	Results of the Tender
Supplier Selection of China Resources Gas Group Limited in 2019 (華潤燃氣控股有限公司2019年供應商評選)	–	China Resources Gas Group Limited	Rotary flowmeter, turbine flowmeter, IC card gas flowmeter, IC card controller, intelligent volume corrector	Selected for wining tender (valid from 2020 to 2022)
Tender Project China National Petroleum Corporation for Centralized Sourcing of Flowmeters for 2020 (中國石油天然氣集團有限公司2020年流量儀錶集中採購招標項目)	ZY19-SH02-JC001 (7th and 8th contracts)	China National Petroleum Corporation	Gas turbine flowmeter, vortex precession flowmeter	Selected for wining tender (Class A)

The Energy Companies are all important comprehensive energy companies in China and each of them is one of the natural gas end users with largest sales volume in China. As distributors connecting downstream users, they are the important guarantors of civic gas projects in China and are creditworthy with strong ability to pay for goods. Over years, the Energy Companies are the important purchasers of commercial flowmeters of the Company. In 2018 and 2019, the Company recorded the respective aggregate amount of approximately RMB100 million for purchases by Ganghua Investment Co.,Ltd. and China Resources Gas Group Limited. After being selected for the wining tender for the above projects, the Company will continue to provide the Energy Companies with flowmeter products with high precision and high intelligence as a quality supplier so as to better meet the demand of gas users, which in turn will amplify the brand image and market share of the Company and help deliver a sound operating performance for the Company.

As the Energy Companies shall purchase products from the Company for the validity period projects according to their own needs, 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, 26 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.