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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)

ANNOUNCEMENT ON PROPOSED RE-ELECTION AND APPOINTMENT OF DIRECTORS AND SUPERVISORS

The terms of office of members of first session of the Board (“**Board**”) of directors (“**Directors**”) and first session of the Supervisory Committee of Zhejiang Cangnan Instrument Group Company Limited (the “**Company**”, together with its subsidiaries collectively as the “**Group**”) will expire in June 2020. Pursuant to the relevant provisions of the articles of association (the “**Articles of Association**”) of the Company, all members of first session of the Board and first session of the Supervisory Committee of the Company will continue to perform their duties as the Directors and Supervisors (“**Supervisors**”) of the Company before the completion of change of session of the Board and the Supervisory Committee of the Company.

The Board hereby announces that the following persons (“**Nominees**”) have been nominated as the members of second session of the Board or second session of the Supervisory Committee of the Company. The ordinary resolutions on approval of their elections will be submitted to the shareholders of the Company (the “**Shareholders**”) at the 2019 annual general meeting (“**AGM**”) for their consideration and approval.

Candidates for the Directors are as follows:

- (1) Mr. Hong Zuobin is nominated to be re-elected as an executive Director of the Company.
- (2) Mr. Huang Youliang is nominated to be re-elected as an executive Director of the Company.
- (3) Mr. Jin Wensheng is nominated to be elected as an executive Director of the Company.
- (4) Mr. Yin Xingjing is nominated to be re-elected as an executive Director of the Company.
- (5) Mr. Zhang Shengyi is nominated to be re-elected as an executive Director of the Company.
- (6) Ms. Lin Zichan is nominated to be re-elected as an executive Director of the Company.

- (7) Mr. Lin Zhongzhu is nominated to be re-elected as an executive Director of the Company.
- (8) Mr. Ye Xiaosen is nominated to be re-elected as a non-executive Director of the Company.
- (9) Mr. Hou Zukuan is nominated to be re-elected as a non-executive Director of the Company.
- (10) Mr. Ng Jack Ho Wan is nominated to be re-elected as an independent non-executive Director of the Company.
- (11) Mr. Wong Hak Kun is nominated to be re-elected as an independent non-executive Director of the Company.
- (12) Mr. Wang Jingfu is nominated to be re-elected as an independent non-executive Director of the Company.
- (13) Mr. Li Jing is nominated to be re-elected as an independent non-executive Director of the Company.
- (14) Mr. Su Zhongdi is nominated to be re-elected as an independent non-executive Director of the Company.

Mr. Lin Jingdian will retire and will not stand for election as the Directors of the second session of the Board. Therefore, Mr. Lin Jingdian will cease to be the Director upon the conclusion of the AGM. The retiring Director (i.e. Mr. Lin Jingdian) has confirmed that he has no disagreement with the Board, and no matters should be brought to the attention of Shareholders.

Candidates for the Supervisors are as follows:

- (1) Mr. Ye Sigong is nominated to be re-elected as a non-employee representative Supervisor of the Company.
- (2) Mr. Zhou Xiaoding is nominated to be re-elected as a non-employee representative Supervisor of the Company.
- (3) Mr. Liu Jie is nominated to be elected as a non-employee representative Supervisor of the Company.

Pursuant to the requirements of the Articles of Association, proportion of employee representative Supervisors in Supervisory Committee shall not be less than one third of number of supervisors, and the employee representative Supervisors are elected by employees through democratic procedure election such as congress of workers and staff. The Company will otherwise convene the employee representative meeting to elect the employee representative Supervisors and publish the announcements in due course.

INFORMATION ON NOMINEES OF DIRECTORS

Mr. Hong Zuobin (洪作斌先生), aged 72, currently is the Chairman and the executive Director of the Company. Mr. Hong was a teacher at Mazhan Secondary School in Cangnan County, Zhejiang Province from September 1970 to September 1975, and served as the Party Branch Secretary and the manager of Cangnan Meter Plant from 1977 to June 1984. Mr. Hong served as the deputy head of the Industry Bureau of Cangnan County, the deputy director, director and the Secretary of the Economic Planning Commission of Cangnan County from April 1984 to December 1990; the director and the Secretary of the Party Leadership Group of the Overseas Chinese Affairs Office of Cangnan County from December 1990 to June 1993; the director and the Secretary of the Urban and Rural Construction Committee of Cangnan County from June 1993 to January 1997; the Secretary of the Party Leadership Group of the Environmental Protection Bureau of Cangnan County from January 1997 to June 1999; the director and the Secretary of the Party Leadership Group of the Taiwan Affairs Office of Cangnan County from June 1999 to June 2002; a researcher of the Taiwan Affairs Office of Cangnan County from January 2002 to December 2005. Mr. Hong has served as the Chairman of the Company since May 2004.

Mr. Huang Youliang (黃友良先生), aged 54, currently is an executive Director and the general manager of the Company. Mr. Huang served as a statistical clerk of the production division and an officer, the deputy director and director of the factory office of our Company from August 1984 to November 2000, and was appointed as deputy factory manager from November 2000 to May 2001, and was promoted to the executive vice factory manager from May 2001 to December 2002. Mr. Huang has served as the general manager of our Company since January 2003. Mr. Huang studied at Graduate School of the Asia International Open University (Macau) from 2004 to 2006 and received a Master of Business Administration degree. Mr. Huang currently serves as an executive member of the China City Gas Association and vice president of Zhejiang Investment Promotion Association. In addition, Mr. Huang was awarded the title “National Machinery Industry Model Worker (全國機械工業勞動模範) in 2014.

Mr. Jin Wensheng (金文勝先生), aged 51, currently is the deputy general manager and CPC Party Secretary of the Group, and is also the chairman of the board of directors of Dongxing Intelligent Instrument Co., Ltd., a subsidiary of the Group. Mr. Jin worked as a staff on the engineering department of the Company from January 1992 to January 1998; vice director of the technical development centre and plant manager assistant from January 1999 to December 2000; diaphragm gauge branch plant manager (vice plant manager level) from January 2004 to December 2009; executive vice factory director of the Company and diaphragm gauge branch plant manager from January 2010 to January 2012; diaphragm gauge branch plant manager from January 2012 to May 2015; manager of Dongxing Intelligent Instrument Co., Ltd. from May 2015 to December 2018. Mr. Jin studied in Zhejiang University from September 1989 to July 1991, majoring in light chemistry and machinery, and pursued the EMBA programme (for presidents) in Shanghai Jiaotong University from July 2010 to October 2011. Mr. Jin was granted the title of Mechanical Manufacturing Engineer by the Wenzhou Municipal Government in October 2001.

Mr. Yin Xingjing (殷興景先生), aged 47, currently is an executive Director and the deputy general manager of the Company. Mr. Yin was an officer of the technical division and the director of the No. 3 design workshop of the technical division of the Company from September 1993 to December 1999; the deputy director of the production engineering department from January 2000 to October 2000; the director of the technical department from November 2000 to May 2003; and was appointed as the chief engineer from January 2004 to January 2011. Mr. Yin has served as a deputy factory manager of the Company since January 2011. Mr. Yin majored in mechanical design and manufacture at University of Shanghai for Science and Technology from September 1993 to January 1997, and subsequently obtained a graduation certificate for the network education programme in mechanical and electrical engineering at University of Science and Technology Beijing in January 2009. In addition, Mr. Yin was awarded with the title of Instrument Technical Engineer in November 2002 and was subsequently promoted as Flow Instrument Professional Senior Engineer in December 2010. Mr. Yin was awarded with the National May 1 Labour Medal in 2013.

Mr. Zhang Shengyi (章聖意先生), aged 52, currently is an executive Director and the chief engineer of the Company. Mr. Zhang joined the Company in March 1989 and worked as a worker at the instrument workshop up to December 1999; served as the deputy director of the technical development department from March 1999 to December 1999; the director of the technology development department from December 1999 to November 2000; the director of the chief engineer office from November 2000 to May 2001; assistant to the factory manager from May 2001 to August 2001; and was appointed as the deputy factory manager from August 2001 to January 2011. Mr. Zhang has served as the chief engineer and the director of the chief engineer office since January 2011. Mr. Zhang majored in computer science and technology at Southwest China Normal University from March 2003 to January 2005. Mr. Zhang was awarded with the title of Automated Instrument Engineer in November 2011, the title of Senior Engineer of Measurement and Metrology Technique and Instrument in February 2019, and the title of “Renowned Master” of the tertiary industries of Wenzhou in 2014.

Ms. Lin Zichan (林姿嬋女士), aged 42, currently is an executive Director, the vice general manager, the secretary to the Board of the Company and the deputy chairman of the Group’s labour union. Ms. Lin was an officer of the factory department office from November 2000 to May 2003; deputy head of the factory department office from May 2003 to January 2006; head of the factory department office from January 2006 to December 2008, assistant to the factory manager, head of the factory department office, and deputy chairman of the labour union from January 2009 to December 2012. Ms. Lin has served as a deputy general manager of the Company and deputy chairman of the labour union since January 2013. Ms. Lin majored in international economics and trade at Zhejiang Radio and Television University from September 1996 to June 1998 and subsequently studied an EMBA at Shanghai Jiao Tong University from May 2012 to August 2013.

Mr. Lin Zhongzhu (林中柱先生), aged 41, currently is an executive Director and the deputy general manager of the Company. Mr. Lin was an officer of the Company's technical equipment department from January 2001 to December 2002; a technician of the precision work group from January to December 2003; deputy head of the technical equipment department from January 2004 to December 2005; head of the technical equipment department from January 2006 to March 2008; a deputy chief engineer and the head of the technical equipment department from April 2008 to December 2011; and assistant to the factory manager and the head of the technical equipment department from January 2012 to December 2012. Mr. Lin has served as a deputy factory manager since January 2013. Mr. Lin majored in mechanical manufacturing and automation at Zhejiang University of Technology from September 1996 to July 2000 and obtained a bachelor's degree. In addition, Mr. Lin was awarded with the title of Mechanical Manufacturing Engineer by Wenzhou Municipal People's Government in November 2011.

Mr. Ye Xiaosen (葉小森先生), aged 68, currently is a non-executive Director of the Company. Mr. Ye had been working with the Company from November 1983 to November 2011. Mr. Ye served as a salesman and assistant to the chief of the sales department from November 1983 to April 1985; deputy chief of the sales department of the Company from April 1985 to February 1988; chief of the sales department of the Company from February 1988 to May 1993; deputy plant director from May 1993 to January 1996; plant director from January 1996 to September 1998; Chairman of the Company from September 1998 to May 2004; and vice chairman of the Company from May 2004 to November 2011.

Mr. Hou Zukuan (侯祖寬先生), aged 68, currently is a non-executive Director of the Company. Mr. Hou had been working with the Company from September 1977 to July 2017. Mr. Hou served as chief of the financial section from the time when the Company started business operation to November 1984; director of the factory office from November 1984 to July 1986; secretary to the factory department from July 1986 to January 1987; deputy factory manager and executive deputy factory manager from January 1987 to February 2001; factory manager from February 2001 to December 2002; consultant to the factory manager from January 2003 to January 2013; and director of the infrastructure office of the Company from January 2013 to July 2017.

Mr. Ng Jack Ho Wan (吳浩雲先生), aged 43, currently is an independent non-executive Director of the Company. Mr. Ng has over 20 years of experience in accounting, auditing, asset management and fund management. He worked in PricewaterhouseCoopers LLP, Canada from September 1997 to February 2001. Mr. Ng then worked in KPMG in Hong Kong from March 2001 to October 2012 and was an audit partner in KPMG in Hong Kong from July 2008 to October 2012, where he was responsible for overseeing audit and advisory projects in the wealth and fund management sectors both in China and Hong Kong. Mr. Ng has been the managing director of Jack H.W. Ng CPA Limited since June 2013. Mr. Ng has been appointed as an independent non-executive director of HM International Holdings Limited (a company listed on the GEM Board of the Stock Exchange, stock code: 8416) (with effect from 15 December 2016). Mr. Ng graduated from Simon Fraser University, Canada with a degree of Bachelor of Business Administration in May 2000. Mr. Ng has been a senior fellow of the Hong Kong Institute of Certified Public Accountants since May 2010 and also a chartered accountant in British Columbia, Canada since February 2001. Mr. Ng was granted the designation of financial risk manager by the Global Association of Risk Professionals and the certification of information systems auditor by ISACA in November 2004 and January 2007, respectively. In September 2007, Mr. Ng was certified as chartered financial analyst by the Chartered Financial Analyst Institute. Mr. Ng was awarded with a specialist certificate in asset management by Hong Kong Securities Institute in February 2005.

Mr. Wong Hak Kun (王克勤先生), aged 63, currently is an independent non-executive Director of the Company. Mr. Wong once worked in Deloitte China, and has more than 36 years of experience in auditing, assurance and management. He has been a partner of Deloitte China since 1992. He served as a member on the board of directors of Deloitte China from 2000 to 2008. Before retiring in May 2017, Mr. Wong was a partner of Deloitte China in charge of national audit and assurance. Mr. Wong has been respectively appointed as an independent non-executive director of Yue Yuen Industrial (Holdings) Limited (a company listed on the Main Board of the Stock Exchange, stock code: 551) (with effect from 1 June 2018) and an independent non-executive director of Lung Kee (Bermuda) Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 255) (with effect from 1 June 2018). Mr. Wong obtained a bachelor's degree in social sciences from The University of Hong Kong in November 1980. He is a member of Hong Kong Institute of Certified Public Accountants since December 1983, the Association of Chartered Certified Accountants since September 1983, and the Chartered Institute of Management Accountants since June 1990.

Mr. Wang Jingfu (王靖甫先生), aged 54, currently is an independent non-executive Director of the Company. Mr. Wang is currently the chairman and president of Zhejiang Zhengda Certified Public Accounting. Mr. Wang currently serves as the independent director of Zhemao Science & Technology Company Limited. Mr. Wang graduated from Hangzhou Business School (杭州商學院) (now Hangzhou Business College of Zhejiang Gongshang University) in 1987. He studied a continuing education and majored in accounting at Zhejiang Institute of Finance and Economics from February 2004 to January 2007. Mr. Wang served as a director of Zhejiang Institute of Certified Public Accountants, a visiting professor of Hangzhou Polytechnic, and chairman of accounting professional steering committee of Hangzhou Polytechnic. Mr. Wang currently serves as a director of Zhejiang Engineering Cost Association. Mr. Wang is qualified as senior accountant and CPA.

Mr. Li Jing (李靜先生), aged 53, currently is an independent non-executive Director of the Company. From August 1988 to July 1998, Mr. Li worked in Faculty of Laws in Hangzhou University (currently Zhejiang University). From November 1998 to the present, he worked in L&H Law Firm. He is a founding partner of L&H Law Firm. From 23 November 2007 to 29 December 2010, Mr. Li served as the independent director of Sichuan Jinding (Group) Co. Mr. Li graduated from the Department of Political Education of East China Normal University with a Bachelor of Law degree in July 1988. He became a CPA in China in 1996. He was admitted as a PRC qualified lawyer by Zhejiang Provincial Department of Justice (浙江省司法廳) in October 1991.

Mr. Su Zhongdi (蘇中地先生), aged 63, currently is an independent non-executive Director of the Company. Mr. Su graduated from Zhejiang University with a bachelor's degree, majoring in fluid mechanics in January 1982, and graduated from Peking University with a Master of Science degree in 1984, majoring in fluid mechanics. Afterward, he worked as a teacher in China Jiliang University. From March 2000 to July 2003, he pursued advanced studies in Department of Mechanical Engineering of The Hong Kong Polytechnic University and obtained the degree of Doctor of Philosophy. Mr. Su had been engaged in the teaching of fluid mechanics and the research of flow metrology from 1984 to 2017. In the meantime, he had been the academic leader in fluid mechanics and the head of Fluid Detection and Simulation Research Institute in China Jiliang University. He participated in the creation of undergraduate programmes for fluid mechanics and engineering mechanics in China Jiliang University as the principal. He has directed dozens of scientific research projects, including projects of Natural Science Foundation of China, projects of the AQSIQ, projects of Natural Science Foundation of Zhejiang Province, key scientific research projects of Zhejiang Province, projects of oversea study fund, and projects entrusted by large enterprises.

INFORMATION ON NOMINEES OF SUPERVISORS

Mr. Ye Sigong (葉思共先生), aged 53, currently is a Supervisor of the Company. Mr. Ye served as a worker of the electrical instrument and assembly workshop of the Company from August 1989 to June 1995; the director of the electrical instrument and assembly workshop from June 1995 to January 2006; the deputy director of production and director of the electrical instrument and assembly workshop from January 2006 to January 2007; the managing deputy factory manager of the heat metre branch from January 2007 to December 2007; and the deputy director and director of the quality department from January 2008 to December 2009. Mr. Ye has served as the director of the market services centre since January 2010. Mr. Ye obtained a high school diploma from Mazhan High School in July 1984.

Mr. Zhou Xiaoding (周孝定先生), aged 53, currently is a Supervisor of the Company. Mr. Zhou served as a worker, section officer of the technology department and salesman of the Company from July 1984 to March 2000; and the deputy director of planning and marketing from March 2000 to December 2007. Mr. Zhou has served as the regional marketing manager in places including Chongqing, Sichuan, Guizhou and Yunnan since January 2008. From September 1984 to July 1986, Mr. Zhou took a postgraduate advancement course in textile machinery at Zhejiang Silk Institute of Technology (浙江絲綢工學院) (now Zhejiang Sci-Tech University).

Mr. Liu Jie (劉傑先生), aged 43, currently is the general deputy manager of Dongxing Energy Technology Co., Ltd., a subsidiary of the Group. From May 1999 to February 2004, Mr. Liu worked as the staff in power supply and distribution workshop of the Company; from February 2004 to January 2008, he worked as the director of power supply and distribution workshop; from January 2008 to April 2011, he worked as the deputy director of Process Equipment Department; from April 2011 to September 2014, he worked as the deputy director of the Machinery Manufacturing Branch; from September 2014 to January 2016, he worked as the executive deputy director of Dongxing Precision Casting Branch; from January 2016 to September 2016, he worked as deputy director of Production Department; from September 2016 to May 2017, he worked as the director of Process Equipment Department; and since May 2017, he acted as the general deputy manager of Dongxing Energy Technology Co., Ltd.

Except as described above, no Nominee has held any directorship in any other listed companies or taken up a post in any affiliated companies of the Group in the past three years. In addition, except as described above, no Nominee has any relationship with any other Director, Supervisor, senior management, substantial shareholder or controlling shareholder of the Company. No Nominee has any equity interest in the Company within meaning of Part XV of the Securities and Future Ordinance.

The Nominees will be elected subject to approval by Shareholders at the AGM, and their terms will be effective from the date of such approval at the AGM. It is expected that each of the Nominees will enter into a service contract with the Company (with effect from the date of the relevant resolution for a term of three years).

After obtaining the relevant approval from the shareholders at the AGM, the remuneration packages of the directors and supervisors will be determined by the remuneration and evaluation committee of the Board according to the remuneration plan for directors and supervisors to be approved at the AGM of the Company.

The Nomination Committee and the Board are of the view that the Nominees for the second session of the Board possess diverse expertise in terms of management, finance, accounting and laws. They possess professional experience and knowledge which are strongly complementary to each other and such knowledge and experience are conducive to the scientific decision-making of the Board. At the same time, there are also diverse characteristics among the Nominees for the Board in terms of age and years of service, which can enhance the performance of the Company.

Except as described in this announcement, the Company considers that there is no other information relating to the Nominees to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor any matter which needs to be brought to the attention of the Shareholders.

GENERAL

A circular containing further information on the proposed re-election and appointment of Directors and Supervisors, together with a notice of the AGM of the Company will be despatched to Shareholders as soon as practicable.

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

Hong Kong, 9 April 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.