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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)

PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES OF GENERAL MEETING

According to the requirements of the current rules of procedures of general meeting (the “**Rules of Procedures of General Meeting**”) of Zhejiang Cangnan Instrument Group Company Limited (the “**Company**”), in the event that the Rules of Procedures of General Meeting conflict with the meaning of the articles of association (the “**Articles of Association**”) of the Company, the Company would act in accordance with the Articles of Association and accordingly amend the Rules of Procedures of General Meeting as soon as possible.

In order to keep consistent with the current Articles of Association of the Company, the Company intends to amend, add or delete the current Rules of Procedures of General Meeting. The proposed amendments to the articles of the Rules of Procedures of General Meeting are as follows:

	Before amendment	After amendment
Article 3 In case of the occurrence of the event as stipulated in the Articles of Association of the Company shall convene class shareholders' meetings. Apart from class shareholders, holders of domestic shares and overseas listed overseas shares shall be regarded as different classes of shareholders. In case of the occurrence of the event as stipulated in the Articles of Association of the Company shall convene class shareholders' meetings. Apart from class shareholders, holders of domestic shares and holders of overseas listed foreign shares shall be regarded as different classes of shareholders.

	Before amendment	After amendment
Article 22	<p>.....</p> <p>Where such Shareholder is a Recognised Clearing House (or its proxy(ies)) as defined by the relevant regulations formulated from time to time in Hong Kong, such Shareholder is entitled to appoint one or more persons as it deems fit to act on its behalf at any General Meetings or any other class meetings; where more than one person is authorized, the letter of authorization shall specify the number and class of shares involving each person so authorized. The authorization documents should be signed by the authorized officer of the Recognised Clearing House. Such persons so authorized shall be entitled to attend the General Meeting (who are not required to provide ownership documents, the notarized power of attorney and/or further evidence of his duly authorization) and exercise their rights on behalf of the Recognised Clearing House (or its proxy(ies)) as if they were individual Shareholders.</p>	<p>.....</p> <p><u>Where the shareholder and/or warrant holder is a recognized clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or its proxy(ies), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any shareholders' meeting or any meeting of any class of shareholders and/or warrant holders provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of shares and/or warrants in respect of which each such person is so authorised. The person so authorised shall be deemed to have been duly authorised without the need of producing any documents of title, notarized authorisation and/or further evidence to substantiate that it is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house as the clearing house or its proxy(ies) could exercise as if it were an individual shareholder and/or warrant holder of the Company.</u> such Shareholder is a Recognised Clearing House (or its proxy(ies)) as defined by the relevant regulations formulated from time to time in Hong Kong, such Shareholder is entitled to appoint one or more persons as it deems fit to act on its behalf at any General Meetings or any other class meetings; where more than one person is authorized, the letter of authorization shall specify the number and class of shares involving each person so authorized. The authorization documents should be signed by the authorized officer of the Recognised Clearing House. Such persons so authorized shall be entitled to attend the General Meeting (who are not required to provide ownership documents, the notarized power of attorney and/or further evidence of his duly authorization) and exercise their rights on behalf of the Recognised Clearing House (or its proxy(ies)) as if they were individual Shareholders.</p>

	Before amendment	After amendment
Article 34	<p>The general meeting shall have minutes prepared by the secretary to the board of directors. The minutes shall state the following contents:</p> <p>(3) The numbers of shareholders (including domestic-invested shareholders and holders of overseas listed foreign shares (if any)) and proxy(ies) attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;</p>	<p>The general meeting shall have minutes prepared by the secretary to the board of directors. The minutes shall state the following contents:</p> <p>(3) The numbers of domestic shareholders (including domestic-invested proxy(ies)) and holders of overseas listed foreign shares (if any) and (including proxy(ies)) attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;</p>
Article 50	<p>The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following conditions:</p> <p>(1)</p> <p>(12) any amendment or cancellation of the provisions of this section.</p>	<p><u>Unless otherwise provided in laws, administrative regulations and the Articles of Association,</u> the rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following conditions:</p> <p>(1)</p> <p>(12) any amendment or cancellation of the provisions of this section.</p> <p><u>The transfer of the Company's domestic shares by its holders in whole or part to overseas investors and the listing and trading of such transferred shares on overseas stock exchanges, or the conversion of the domestic shares in whole or part into overseas listed shares and the listing and trading of such converted shares on overseas stock exchanges, shall not be deemed to be a variation or abrogation of the rights of class shareholders proposed by the Company.</u></p>

	Before amendment	After amendment
Article 55	<p>In addition to holders of other classes of shares, holders of domestic-invested shares and overseas listed foreign shares are deemed to be different classes of shareholders.</p> <p>The special procedure for voting in class meeting shall not apply to the following circumstances:</p> <p>(1) Where the Company issues domestic-invested shares and overseas listed foreign shares, upon approval by a special resolution of its shareholders in a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of the existing issued domestic-invested shares and overseas listed foreign shares of the Company;</p> <p>(3) Where with the approval by the securities regulatory authorities under the State Council, the shareholders convert their unlisted domestic shares and foreign shares into overseas-listed foreign shares for overseas listing and trading.</p>	<p>In addition to holders of other classes of shares, holders of domestic-invested shares and holders of overseas listed foreign shares are deemed to be different classes of shareholders.</p> <p>The special procedure for voting in class meeting shall not apply to the following circumstances:</p> <p>(1) Where the Company issues domestic-invested shares and overseas listed foreign shares, upon approval by a special resolution of its shareholders in a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of the existing issued domestic-invested shares and overseas listed foreign shares of the Company;.....</p> <p>(3) Where with the approval by the securities regulatory authorities under the State Council, the <u>domestic shareholders of the Company transfer all or part of their shares to foreign investors and such transferred shares are listed and traded on the overseas stock exchanges under the approval of the overseas securities regulatory authorities, or the domestic shareholders of the Company convert all or part of the issued domestic shares of the Company into overseas listed shares and such converted shares are listed and traded on the overseas stock exchanges</u> convert their unlisted domestic shares and foreign shares into overseas-listed foreign shares for overseas listing and trading.</p>

The proposed amendments will take effect upon approval at 2019 annual general meeting of the Company. The Company will issue a circular to the shareholders of the Company, specifying details concerning the proposed amendments, 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.