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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 six months ended 30 June 2020 (the “**Reporting Period**”) by approximately 55% to 70%, as compared to the corresponding period of 2019, which was primarily due to the following reasons:

- (1) due to the outbreak of COVID-19 at the beginning of 2020, various production and business sites were closed down, the resumption of work was postponed as a result of the extension of the Chinese New Year holiday and social consumption and production experienced a significant decline. As a result, gas demand for industrial and commercial use decreased, which led to the suspension and postponement of gas projects on technological transformation and capacity expansion, causing significant impact on the results of operations of the Company; and
- (2) government grants awarded to the Company during the Reporting Period decreased significantly as compared to the corresponding period of 2019, thus bringing about an impact on the net profit.

The Company is currently still in the process of finalising the Group's unaudited interim results for the six months ended 30 June 2020. This announcement is only a preliminary assessment by the Board based on the information currently available, and the interim results for 2020 of the Company are still subject to review by the Audit Committee and the auditor of the Company and may be different from the current preliminary assessment by the Board. Shareholders and potential investors are advised to read carefully the unaudited interim results announcement of the Company for the six months ended 30 June 2020, which is expected to be published by the end of August 2020.

**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, 7 August 2020

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