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展望
ZHANWANG

浙江展望股份有限公司

ZHEJIANG PROSPECT COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 08273)

**ANNOUNCEMENT IN RELATION TO
DELAY IN PUBLICATION OF ANNUAL RESULTS FOR
THE YEAR ENDED 31 DECEMBER 2017 AND
FIRST QUARTERLY RESULTS FOR
THE THREE MONTHS ENDED 31 MARCH 2018
AND
CONTINUAL SUSPENSION OF TRADING**

This announcement is made by the board (“**Board**”) of directors (“**Directors**”) of Zhejiang Prospect Company Limited* (the “**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 26 March 2018, 3 April 2018, 15 May 2018 and 4 July 2018 (the “**Announcements**”) respectively in relation to, among other things, delay (the “**Delay**”) in publication of its annual results and annual report in respect of the year ended 31 December 2017 (the “**2017 Annual Results**”) and its quarterly results and quarterly report in respect of the three months ended 31 March 2018 (the “**2018 First Quarterly Results**”), and the Resumption Conditions. Unless otherwise stated, capitalised term used in this announcement shall have the same meaning as those defined in the Announcements.

Reasons for the delay

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) that the Delay is mainly due to certain bank account collection and payment transactions made by the Company with a number of related parties/connected parties or counterparties during the year ended 31 December 2017 (the “**Transactions**”), disclosure and announcement method (as some of the Transactions may constitute connected transactions).

In order to address the above issue regarding these Transactions, the Company had formed an independent investigation committee (the “**Independent Investigation Committee**”) to investigate these Transactions and engaged an independent internal control adviser (the “**Independent Internal Control Adviser**”) to review the relevant internal control matters and these Transactions. Up to present, the outstanding information and documents to Auditor include the following among other matters:

Outstanding information and documents to Auditor

Up to the date of this announcement, it is now awaiting the outstanding information/matters from the Company including the following among other matters:

- (i) Review report from the Independent Internal Control Adviser;
- (ii) The Independent Investigation Committee to issue an investigation report on these Transactions;
- (iii) The legal opinion on whether these Transactions together with the transactions as set out in a full list of connected transactions during the year ended 31 December 2017 constituted a breach of the GEM Listing Rules and the full list of connected transactions during the year ended 31 December 2017 to be reviewed and confirmed by the Directors and Audit Committee;
- (iv) The legal opinion on the legality of these Transactions under the PRC laws and Hong Kong laws.

Upon receipt of the above information, the Auditor will require to take time to review the above information and take further steps if it is considered necessary based on the results of the above outstanding information from the Company. In addition, due to delay in publications of the 2017 Annual Results, the Auditor will also perform additional subsequent event review audit procedures up to the date of report regarding the audit of the financial statements of the Company.

Current status and plans

With respect to the above audit issues, the progress are as follows:

1. The Company will update the list of connected transactions based on the report prepared by the Independent Internal Control Adviser engaged by the Company in the meeting of the Independent Investigation Committee. After that the Board and the Audit Committee will review and approve the list of connected transactions.
2. The Company has established an Independent Investigation Committee comprising all independent non-executive Directors to investigate the incident and the relevant factual background as to the Company's failure to publish the annual results and annual report on or before 31 March 2018, and conducted a meeting and approved the appointment of the Independent Internal Control Adviser to review the Transactions and the relevant internal control measures (including defects in the internal control system) of the Company on 14 May 2018. The Independent Internal Control Adviser has circulated the first draft of the report on 1 June 2018, and has further updated the report based on the comments from the Company, the Independent Investigation Committee and the Auditor in early July 2018. It is expected that the Independent Internal Control Adviser will issue the final report in mid-July 2018 based on the request of the Independent Investigation Committee. After that the Independent Investigation Committee will conduct a meeting to discuss the report and provide its opinion.

Expected timetable

The Board endeavours to assist the Audit Committee, with the support to the Auditor, to complete the audit procedures as soon as practicable.

The Company expects to conduct the works as follows:

Outstanding information and documents to Auditor	Expected completion date
1. Review report from the Independent Internal Control Adviser	14 July 2018
2. The Independent Investigation Committee to issue an investigation report on these Transactions	On or before end of July 2018

Outstanding information and documents to Auditor	Expected completion date
3. The legal opinion on whether these Transactions together with the transactions as set out in a full list of connected transactions during the year ended 31 December 2017 constituted a breach of the GEM Listing Rules and the full list of connected transactions during the year ended 31 December 2017 to be reviewed and confirmed by the Directors and Audit Committee	On or before end of July 2018
4. The legal opinion on the legality of these Transactions under the PRC laws and Hong Kong laws	Discussing with PRC lawyer and Hong Kong lawyer

As discussed amongst the Company and the Auditor, it is expected that the draft audited financial statements would be issued about one month from the date the Auditor has received the above outstanding information completely.

CONTINUAL SUSPENSION OF TRADING OF SHARES

Trading in the shares of the Company has been suspended since 9:00 a.m. on 3 April 2018 and will continue to be suspended until further notice. The Company will keep the public informed of the latest developments by making further announcement(s) as and when appropriate.

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

By order of the Board
Zhejiang Prospect Company Limited*
Fei Guo Yang
Chairman

Zhejiang Province, the People's Republic of China
13 July 2018

As at the date of this announcement, the Board comprises Mr. Fei Guo Yang, Mr. Hong Guo Ding and Mr. Hong Chun Qiang as executive Directors; Mr. Tang Cheng Fang, Ms. Tang Jing Jing and Mr. Tang Jing Qi as non-executive Directors; and Mr. Wang He Rong, Mr. Lu Guo Qing and Mr. Ma Hong Ming as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its posting and the Company’s website at <http://www.zhejiangprospect.com>.

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