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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
QUARTERLY UPDATE ON RECENT DEVELOPMENT OF
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, 4 July 2018, 13 July 2018, 1 August 2018, 17 August 2018, 20 August 2018 and 22 August 2018 (the “**Announcements**”) respectively in relation to, among other things, delay in publication of its annual results and annual report in respect of the year ended 31 December 2017 (the “**2017 Annual Results**”), its quarterly results and quarterly report in respect of the three months ended 31 March 2018 (the “**2018 First Quarterly Results**”), its interim results announcement and interim report for the six months ended 30 June 2018, and the Resumption Conditions. Unless otherwise stated, capitalised term used in this announcement shall have the same meaning as those defined in the Announcements.

BUSINESS OPERATIONS

Manufacture and sale of universal joints for automobiles still remain as the main business of the Company for the nine months ended 30 September 2018. The production and operation were basically normal.

UPDATE OF IMPLEMENTATION OF THE RESUMPTION PLAN AND SATISFYING THE RESUMPTION CONDITIONS

As at the date of this announcement, the Independent Internal Control Adviser has circulated the final report, the full list of connected transactions during the year ended 31 December 2017 to be reviewed and confirmed by the Directors and the Audit Committee, the Independent Investigation Committee has issued an investigation report on these Transactions, a draft legal opinion on whether these Transactions constituted a breach of the GEM Listing Rules has been circulated, a legal opinion on the legality of these Transactions under the PRC laws has been circulated.

The Board is in the process of reviewing and discussion with the relevant professional parties on the content of the above documents, and the procedures to rectify any non-compliance of the GEM Listing Rules and to ascertain the integrity and character of the management of the Company.

The Board would like to announce that the progress of providing all necessary information and documents to address the above issues is still ongoing. The Board confirmed that delay of the expected timetable is primarily due to continuing discussion of the working scope and the content of the documents with relevant parties. The Company will carry on with its preparations to comply with the Resumption Conditions.

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
31 October 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>.

* *For identification purposes only*