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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, 22 August 2018, 31 October 2018 and 30 November 2018 (the “**Announcements**”) respectively in relation to, among other things, the Delay in publication of its 2017 Annual Results, 2018 First Quarterly Results and the 2018 Half-year Results, the Resumption Conditions, and breach of the GEM Listing Rules in relation to (1) disclosure obligation pursuant to Rules 17.15 and 17.17 of the GEM Listing Rules; (2) financial assistance which may constitute major transaction pursuant to Chapter 19 of the GEM Listing Rules; and (3) connected transaction pursuant to Chapter 20 of the GEM Listing Rules. 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 year ended 31 December 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 Investigation Committee has discussed the Internal Control Review Report. The Independent Investigation Committee considered that the scope of the Internal Control Review Report is sufficient to solve the audit questions raised by the Auditor. Despite the fact that the advance payments made under the Transactions have all been refunded in 2017, and the Company's assets suffered no loss, the Independent Investigation Committee is of the view that the execution and record keeping for the Transactions are not complete. The Independent Investigation Committee requests the management of the Company to follow strictly and execute the internal control measures recommended in the Internal Control Review Report. However, the Directors, senior management and/or the staff of the Company do not have any fraud or misconduct.

Further, the Independent Investigation Committee believed that each Director has discharged his fiduciary duties under Rule 5.01 of the GEM Listing Rules.

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
11 February 2019

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