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HUIYIN SMART COMMUNITY CO., LTD.

汇银智慧社区有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1280)

UPDATE ON SUSPENSION OF TRADING

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Huiyin Smart Community Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcements (the “**Announcements**”) of the Company dated 26 March, 2 April, 6 April, 12 April, 26 April, 4 May, 16 May and 17 May 2018. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

UPDATE ON THE INVESTIGATION

As disclosed in the Company’s announcement dated 12 April 2018, the Independent Investigation Committee has engaged KPMG Advisory (China) Limited as the Internal Control Consultant to conduct the Investigation. The Company has been actively undertaking necessary actions and working closely with the Internal Control Consultant through the Independent Investigation Committee.

The Internal Control Consultant has commenced onsite work on 16 April 2018 and has, as at the date of this announcement and among other matters, conducted interviews with the relevant individuals of the Group and of the suppliers relating to the Investigation; and reviewed documents in relation to the Prepayments and the Group's internal control system. The Internal Control Consultant will continue to complete the remaining work items.

Based on the current progress, the Internal Control Consultant expects that the Investigation will be completed by the expected timeline as indicated in the Company's announcement dated 26 April 2018, i.e. by 31 May 2018.

REPORTING TO THE YANGZHOU PSB

As disclosed in the Company's announcement dated 4 May 2018, the Board received the First Letter and the Second Letter, which contained, among other things, certain unsubstantiated allegations against the Implicated Director and a senior management member of the Group in connection with the Prepayments. Given the nature of the allegations, the Company, through its wholly owned subsidiary in the PRC, reported to Yangzhou City Public Security Bureau Hanjiang Branch* (揚州市公安局邗江分局) (the "**Yangzhou PSB**") in respect of the following:

1. two complaints against two of its suppliers to whom the Prepayment was made (the "**Suppliers**") on 2 May 2018, which contained, among other things, allegations against the Suppliers in connection with their withholding the Prepayments from the Group that could constitute contract fraud. Yangzhou PSB confirmed on 10 May 2018 that it would not open a file for criminal investigation due to lack of facts supporting the alleged criminal conduct.
2. one complaint against the Implicated Director and a senior management member on 7 May 2018, which contained, among other things, allegations against the Implicated Director and a senior management member in connection with the Prepayments. Yangzhou PSB confirmed on 11 May 2018 that it did not accept the complaints due to insufficient factual evidence.

As advised by the Group's PRC legal advisers, the Company will not appeal further against Yangzhou PSB's decisions set out above.

The Board will publish further announcement(s) to update the shareholders of the Company and the public as and when appropriate.

UNAUDITED MANAGEMENT ACCOUNTS

The Company has published its unaudited management accounts for the year ended 31 December 2017. Please refer to the announcement dated 17 May 2018 for further details.

CONTINUED SUSPENSION OF TRADING

Trading of the Shares will remain suspended until further notice.

Shareholders of the Company and potential investors should exercise caution when dealing in the Shares.

By order of the Board
Huiyin Smart Community Co., Ltd.
Yuan Li
Chairman

Hong Kong, 25 May 2018

As of the date of this announcement, the Board of Directors comprises four executive Directors, namely Mr. Yuan Li, Mr. Cao Kuanping (suspended), Mr. Xu Xinying and Ms. Liu Simei; two non-executive Directors, namely Mr. Shen Xingpeng and Mr. Wang Cai; and three independent non-executive Directors, namely Mr. Li Michael Hankin, Mr. Tam Chun Chung and Mr. Zhao Jinyong.

** for identification purpose only*