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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 RESUMPTION CONDITIONS

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 Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

Reference is made to the announcements of the Company dated 26 March, 2 April, 6 April, 12 April, 26 April, 4 May, 16 May, 17 May, 25 May, 31 May and 26 June and 26 July 2018 (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

BUSINESS OPERATION

As disclosed in the Company’s announcement dated 17 May 2018, the Company published the preliminary unaudited financial information of the Group for the year ended and as of 31 December 2017. Based on a preliminary review of the Company’s management on the unaudited consolidated management accounts of the Group for the six months ended and as of 30 June 2018, the Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a net loss attributable to the Shareholders for the six months ended and as of 30 June 2018, as compared to the corresponding period in 2017.

RESUMPTION PLAN

As disclosed in the Company's announcement dated 16 May 2018, the Stock Exchange has imposed certain Resumption Conditions on the Company. The Company has been proactively undertaking the following actions to meet the Resumption Conditions with a view to resuming trading as soon as practicable.

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 on all matters relating to the Prepayments as recommended by the Auditor.

On 31 May 2018, the Internal Control Consultant submitted the Draft Investigation Report to the Independent Investigation Committee and the Company. The Draft Investigation Report is expected to be finalised on or around 31 August 2018 and the Company will announce the summary of the findings of the Investigation accordingly.

Update on the Internal Control Review

As disclosed in the Company's announcement dated 12 April 2018, the Board and the Independent Investigation Committee has engaged the Internal Control Consultant to conduct further internal control review in relation to the Prepayments.

On 25 June 2018, the Internal Control Consultant submitted the Draft Internal Control Review Report to the Independent Investigation Committee. The Draft Internal Control Review Report is expected to be finalised on or around 31 August 2018 and the Company will announce the summary of the findings of the Internal Control Consultant of the internal control review accordingly.

Publication of the 2017 Annual Results and the Unaudited 2018 Interim Results

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

The Auditor is currently in the process of finalisation of the 2017 Annual Results. Based on the latest auditing progress for the 2017 Annual Results, subject to any material adverse changes or other findings identified by the Auditor, the 2017 Annual Results are expected to be finalised and published on or around 25 October 2018. In addition, the Company is also in the process of preparing the unaudited interim results for the six months ended 30 June 2018 as required under the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading of the Shares will remain suspended until further notice.

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

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

Yangzhou, PRC, 3 August 2018

As at the date of this announcement, the Board of Directors of the Company comprises five executive Directors, namely Mr. Yuan Li, Mr. Xin Kexia, Mr. Cao Kuanping (suspended), Mr. Xu Xinying and Ms. Liu Simei, one non-executive Director, namely Mr. Wang Cai, and three independent non-executive Directors, namely Mr. Tam Chun Chung, Mr. Zhao Jinyong and Mr. Chen Rui.