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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 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, 26 June, 26 July, 24 August, 3 September, 10 September, 20 September, 26 September, 26 October, 9 November and 26 November 2018 (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

BUSINESS OPERATIONS

As disclosed in the Company’s announcement dated 10 December 2018, Jiangsu Huiyin Electronic Commerce Co., Ltd* (江蘇匯銀電子商務有限公司) as the vendor, Mr. Liu Zhonghui and Ms. He Yuping together as the purchasers entered into an equity transfer agreement for the transfer all the equity interest in Nanjing Huiyin Lehu E-commerce Limited Company* (南京匯銀樂虎電子商務有限公司) (the “**Transaction**”). The Company believes the Transaction will effectively reduce the Group’s cash outflow and operating loss and enable the Group to have more financial flexibility and resources to develop its principal businesses and explore innovation businesses in the PRC.

CLAIMS AGAINST THE SUPPLIERS

On 20 August 2018, Yangzhou Huiyin filed two claims at the civil court against the two Suppliers, Jiangsu Zhipu Electric Co., Ltd.* (江蘇致普電器有限公司) and Suohai Electronics Co., Ltd.* (揚州索海電子有限公司), in respect of, among others, the Prepayments. On 3 September 2018, Yangzhou Intermediate Court decided to accept the two claims. On 14 November 2018, the Company has received the subpoenas from Yangzhou Intermediate Court and was notified that the court dates against two Suppliers, were both scheduled on 18 December 2018. However, the two Suppliers has raised an objection to the jurisdiction of Yangzhou Intermediate Court over the two claims. The court hearing regarding the two claims has thus been suspended pending on the court's decision on the objection to jurisdiction.

The Company will make further announcement(s) to update the Shareholders and the public as and when appropriate.

UPDATE ON THE EXTENDED INDEPENDENT INVESTIGATION

On 25 December 2018, the Internal Control Consultant submitted the preliminary draft extended investigation report (the “**Extended Investigation Report**”) to the Independent Investigation Committee and the Audit Committee of the Company. The Independent Investigation Committee and the Audit Committee of the Company are in the process of reviewing the Extended Investigation Report and will announce the summary of the findings of the same, if any, in due course.

PUBLICATION OF THE 2017 ANNUAL RESULTS AND THE UNAUDITED 2018 INTERIM RESULTS

The Company has published its unaudited management accounts for the nine months ended 30 September 2018. Please refer to the Company's announcements dated 5 November and 9 November 2018 for further details. As the Extended Investigation Report would be considered by the Auditor to issue 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 26 January 2019. The Company also expects to announce the unaudited interim results for the six months ended 30 June 2018 within approximately one month from the publication of the 2017 Annual Results.

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.

** For identification purposes only.*

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

Yangzhou, PRC, 26 December 2018

As at the date of this announcement, the Board of Directors of the Company comprises four executive Directors, namely Mr. Yuan Li, Mr. Xin Kexia, 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.