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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)**

**ANNOUNCEMENT IN RESPECT OF PUBLICATION  
OF UNAUDITED MANAGEMENT ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

Reference is made to the announcements (the “**Announcements**”) made by the board (the “**Board**”) of directors (the “**Directors**”) of Huiyin Smart Community Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 26 March, 2 April, 6 April, 12 April, 26 April, 4 May, 16 May, 17 May, 30 August and 5 November 2018, relating to, among others, the delay in the publication of the 2017 Annual Results and the despatch of the 2017 Annual Report, the publication of unaudited management accounts for the year ended 31 December 2017, the publication of unaudited management accounts for the six months ended 30 June 2018 and the publication of unaudited management accounts for the nine months ended 30 September 2018. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

Pursuant to Rule 13.24A of the Listing Rules and in order to keep the shareholders of the Company (the “**Shareholders**”) and the public informed of the Group’s operating results and financial position, the Board wishes to set forth below the preliminary unaudited financial information of the Group for the year ended 31 December 2018, together with the comparative figures for the corresponding period in 2017.

The Directors confirm that the following unaudited financial information is prepared on the same basis as used in the unaudited financial information of the Group for the year ended and as of 31 December 2017 as disclosed in the announcement of the Company dated 17 May 2018.

# UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2018

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	937,024	1,039,031
Cost of sales	<u>(866,752)</u>	<u>(930,163)</u>
<b>Gross profit</b>	<b><u>70,272</u></b>	<b><u>108,868</u></b>
Other income	3,554	21,866
Other losses — net	(3,122)	(1,329)
Selling and marketing expenses	(138,344)	(124,784)
Administrative expenses	<u>(219,140)</u>	<u>(7,761)</u>
<b>Operating loss</b>	<b><u>(286,780)</u></b>	<b><u>(3,140)</u></b>
Finance income	90	5,130
Finance costs	<u>(19,710)</u>	<u>(25,847)</u>
Finance costs — net	<u>(19,619)</u>	<u>(20,717)</u>
Share of loss of a joint venture	—	(1,603)
Loss on disposal of subsidiary	<u>(29,493)</u>	<u>(11)</u>
Loss before income tax	(335,892)	(25,471)
Income tax expense	<u>(108)</u>	<u>(14,604)</u>
Loss for the year	<b><u>(336,000)</u></b>	<b><u>(40,075)</u></b>
Attributable to:		
- Equity holders of the Company	(296,734)	(31,575)
- Non-controlling interests	<u>(39,266)</u>	<u>(8,500)</u>
	<b><u>(336,000)</u></b>	<b><u>(40,075)</u></b>

# UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December, 2018

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Land use rights	38,454	38,984
Property, plant and equipment	220,923	216,478
Investment properties	—	5,235
Intangible assets	—	6,107
Investment in joint ventures	—	6,000
Investment in associates	25,695	847
Deferred income tax assets	14,633	16,285
	<u>299,706</u>	<u>289,936</u>
<b>Current assets</b>		
Inventories	155,524	244,152
Trade and bills receivables	39,095	51,460
Prepayments, deposits and other receivables	177,974	411,635
Restricted bank deposits	39,060	278,350
Cash and cash equivalents	48,673	56,504
	<u>460,325</u>	<u>1,042,101</u>
<b>Total assets</b>	<u>760,031</u>	<u>1,332,037</u>
<b>EQUITY</b>		
<b>Capital and reserves attributable to equity holders of the Company</b>		
Share capital	13,739	13,739
Reserves	(494,625)	(158,625)
	<u>(480,886)</u>	<u>(144,886)</u>
<b>Non-controlling interests in equity</b>	<u>42,258</u>	<u>81,524</u>
<b>Total equity</b>	<u>(438,629)</u>	<u>(63,362)</u>

Year ended 31 December	
2018	2017
RMB'000	RMB'000
(unaudited)	(unaudited)

## LIABILITIES

### Non-current liabilities

Borrowings	7,901	7,061
Deferred income tax liabilities	—	211
Deferred government grants	2,643	2,643
	<u>10,544</u>	<u>9,915</u>

### Current liabilities

Trade and bills payables	154,716	655,584
Accruals and other payables	988,987	468,643
Borrowings	38,000	194,842
Current income tax liabilities	994	12,855
Other current liabilities	5,418	53,560
	<u>1,188,115</u>	<u>1,385,484</u>

<b>Total liabilities</b>	<b><u>1,198,659</u></b>	<b><u>1,395,399</u></b>
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<b>Total equity and liabilities</b>	<b><u>760,031</u></b>	<b><u>1,332,037</u></b>
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*Note:* As compared with the unaudited management accounts as of 31 December 2017, which were published by the Company on 17 May 2018, the balance of certain items (such as Investment in a joint venture, Prepayments, deposits and other receivables, as well as Reserves) as at 31 December 2017 in the balance sheet of the Company have been adjusted to reflect the current situation and information available to the Group. The adjustments have not been reviewed or approved by the auditor of the Company. If there is any further adjustments to be made, the Company will further disclose in the announcement of the audited results of the Company for the year ended and as of 31 December 2017.

The Board wishes to emphasise that the unaudited financial information set out above is only based on the preliminary assessment by the Board on the unaudited management accounts of the Group for the year ended 31 December 2018, and has not been reviewed, audited or approved by the Auditor, and therefore is subject to, among others, further review by the Company and any potential adjustments that might be proposed by the Auditor. The Board cannot guarantee the unaudited financial information set out above truly reflects the financial performance and condition of the Group and such information might be misleading if any potential adjustments have been taken into account.

**Shareholders and potential investors should exercise extreme caution when considering the unaudited financial information disclosed above and when dealing in the shares of the Company.**

**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, 27 January 2019

*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.*