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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 2018, 24 August, 3 September, 10 September, 20 September, 26 September, 26 October, 9 November, 26 November, 26 December 2018, 28 January 2019, 1 March 2019, 8 March 2019 and 22 March 2019 (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 8 March 2019, Ms. Xu Honghong (徐紅紅) has been appointed as a non-executive Director of the Company with effect from 8 March 2019.

On 22 March 2019, the Company convened the annual general meeting (the “**AGM**”). All the proposed resolutions as set out in the notice of the AGM of the Company dated 21 February 2019 as well as the circular of the Company dated 21 February 2019 were duly passed by way of poll. Please refer to the announcement dated 22 March 2019 for the details of the poll results of the AGM.

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 (the “**Two Claims**”). On 3 September 2018, Yangzhou Intermediate Court (the “**Court**”) decided to accept the Two Claims. On 14 November 2018, the Company has received the subpoenas from the Court and was notified that the court dates against two Suppliers, were both scheduled on 18 December 2018. However, the court hearing did not proceed on that day as the two Suppliers has raised an object to the jurisdiction of the Court over the Two Claims. Meanwhile, the Court decided to transfer the case to the local public security authority for their decision on whether criminal proceedings should be initiated for this case. In mid-February 2019, the local public security authority decided not to initiate criminal proceedings at the current stage for this case. On 20 February 2019, Yangzhou Huiyin has re-filed the Two Claims with the Court. On 12 March 2019, the Court decided to accept the Two Claims.

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

UPDATE ON THE PRC INTERNAL CONTROL REVIEW REPORT

On 12 July 2018, Suzhou Fandao was appointed by Yangzhou Huiyin to conduct the PRC Internal Control Review on the design of the updated internal control system of Yangzhou Huiyin in light of the investigation conducted by the Internal Control Consultant on the prepayment issues and the subsequent amendments and revisions to the internal control system by the Group based on such investigation result. On 28 February 2019, the internal control review report prepared by Suzhou Fandao was issued, a summary of which has been announced by the Company on 1 March 2019.

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 March 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 Ms. Xu Honghong and three independent non-executive Directors, namely Mr. Zhao Jinyong, Mr. Chen Rui and Mr. Fung Tak Choi.