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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 2018, 2 April 2018, 6 April 2018, 12 April 2018, 26 April 2018, 4 May 2018, 16 May 2018, 17 May 2018, 25 May 2018, 31 May 2018, 15 June 2018, 20 June 2018, 26 June 2018, 2 July 2018, 5 July 2018, 6 July 2018, 26 July 2018, 3 August 2018, 24 August 2018, 30 August 2018, 3 September 2018, 10 September 2018, 20 September 2018, 26 September 2018, 26 October 2018, 5 November 2018, 9 November 2018, 26 November 2018, 10 December 2018, 26 December 2018, 27 January 2019, 28 January 2019, 31 January 2019, 19 February 2019, 21 February 2019, 26 February 2019, 1 March 2019, 8 March 2019, 22 March 2019 and 26 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

On 22 April 2019, the Company engaged an internal control consultant to conduct a follow-up review of the rectification works conducted by the Group (the “**Rectification**”) in relation to the internal control weaknesses of the Group identified in the Internal Control Review Report, the Investigation Report, the Stage Two Investigation Report and the Stage Three Investigation Report (the “**Review**”). According to the work scope of the Review, the Review will cover the Rectification during the period from 1 September 2018 to 31 March 2019.

It is expected that the the Review will be completed on or around 10 May 2019. Upon the completion of the Review, a report showing the status of the Rectification (the “**Rectification Report**”) will be delivered to the Company. The Rectification Report will be in a form of factual statement and record of the Rectification rather than an assessment on the sufficiency and effectiveness of the internal control of the Group.

The Company will make further announcement about the progress of the Review of the Internal Control Consultant as and when appropriate and necessary.

## 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. On 24 April 2019, the Court issued the subpoena in relation to the civil claim against Suohai Electronics Co., Ltd. filed by Yangzhou Huiyin and scheduled the court date to be on 29 May 2019.

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

## 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, 26 April 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.*