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**HUIYIN HOUSEHOLD APPLIANCES (HOLDINGS) CO., LTD.**

**汇银家电(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1280)**

**INSIDE INFORMATION AND BUSINESS UPDATE —  
STRATEGIC CO-OPERATION FRAMEWORK AGREEMENT OF  
SMART COMMUNITY SERVICE PLATFORM**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of Huiyin Household Appliances (Holdings) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that Jiangsu Huiyin E-commerce Co., Ltd. (江蘇滙銀電子商務有限公司) (“**Huiyin E-commerce**”, being a wholly-owned subsidiary of the Company) has entered into a Co-operation Framework Agreement (the “**Co-operation Framework Agreement**”) with Nanjing Jiangning National High-Tech Industrial Park Management Committee (南京江寧國家高新技術產業園管理委員會) (“**Jiangning High-Tech Park Management Committee**”) on 23 July 2015 (after trading hours) in respect of the construction of a smart community service platform. The agreement has a term of 7 years.

Nanjing Jiangning National High-Tech Industrial Park (“**Jiangning High-Tech Park**”) includes the high-tech industrial zone, Jiangning University Town and Fangshan Scenic Area. There are 16 universities (29 colleges), over 300,000 university students and teaching staff and more than 400 enterprises in this region. With supporting “mass start-ups, innovations by all people” (“大眾創業、萬眾創新”) as the starting point, Jiangning High-Tech Park will establish a Jiangning High-Tech Park smart community to build a start-up and innovation platform actively for university

students. Huiyin E-commerce, being the operator of the smart community lifestyle platform in China, has entered into the Co-operation Framework agreement with Jiangning High-Tech Park Management Committee for the establishment of a smart community, details of which are set out as follows:

1. Huiyin E-commerce will build a start-up and innovation platform actively for university students, establish the Jiangning University Town Start-up and Innovation Fund with an amount of RMB500,000 and encourage university students to engage in start-up and innovation activities for commencing business in animated cartoons, robot design and Apps development.
2. Huiyin E-commerce will incorporate a Nanjing regional headquarters in Jiangning University Town. A flagship base for university student start-ups and innovations will be established and over 5,000 types of imported commodities will be introduced. Jiangning High-Tech Park will actively support Huiyin E-commerce to establish a smart community of 300 points in, among others, the university students cluster area, teaching staff quarters area and street community area to commence B2C operations for 300,000 university students, teaching staff and office staff of enterprises and B2B operations for university and enterprise canteens.
3. Jiangning High-Tech Park will provide 4,000 m<sup>2</sup> of properties to Huiyin E-commerce for use as the flagship base for university student start-ups and innovations, as well as for display and distribution of imported commodities. “Exemption for one year and 50% reduction for two years” will be implemented for rentals and preferential rental at 80% of market price will be applicable to the next four years, and the community, schools and property companies within the region will be actively coordinated to provide Huiyin E-commerce with smart community public housing.
4. Huiyin E-commerce will perform social responsibilities actively, organize public welfare activities regularly, including community elderly service, assistance for the handicapped, education scholarship, poverty alleviation, cultural and sports, and will actively participate in and organize activities such as sports tournament, cultural and arts festivals in the University Town to enrich community life. Jiangning High-Tech Park will actively create an excellent environment for Huiyin E-commerce to settle in the University Town and increase the publicity for the business model and operating results of Huiyin E-commerce.

To the best knowledge, information and belief of the directors of the Company (the “**Directors**”), Jiangning High-Tech Park Management Committee is a third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). The Directors, including the independent non-executive Directors, consider that the signing of Co-operation Framework Agreement will be able to enhance the rapid development of the Group’s e-commerce business, will have positive effects on the clustering of users born in the 80s and 90s, and will develop and build a supply chain, logistics and talents base in Nanjing for the Group’s smart community.

The Co-operation Framework Agreement has been entered into on normal commercial terms after arm’s length negotiation in the ordinary and usual course of business of the Group. The Board is of the view that the terms of the Co-operation Framework Agreement are fair and reasonable and in the interest of the Company and the shareholders as a whole.

The Company will keep the shareholders and potential investors of the Company informed of any material development in connection with any further development on the Group’s participation in the e-commerce business in the PRC by way of further announcement(s) as and when appropriate, and the Company will comply with the relevant requirements under the Listing Rules where applicable.

**Shareholders of the Company and/or potential investors should take note that any such further business development mentioned above may or may not materialise, and should exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Huiyin Household Appliances (Holdings) Co., Ltd.**  
**Cao Kuanping**  
*Chairman*

Yangzhou, PRC  
23 July 2015

*As at the date of this announcement, the Board of Directors of the Company comprises six executive Directors, namely Mr. Cao Kuanping, Mr. Mo Chihe, Mr. Mao Shanxin, Mr. Wang Zhijin, Mr. Lu Chaolin, and Ms. Hu Yanyu; and three independent non-executive Directors, namely Mr. Zhou Shuiwen, Mr. Tam Chun Chung and Mr. Lo Kwong Shun Wilson.*