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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to the inside information provisions under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

The Board of the Company wishes to inform the Shareholders and potential investors that the Group is expected to record a substantial decrease in the loss or a net profit attributable to Shareholders for the six months ended 30 June 2017 as compared with a significant net loss attributable to Shareholders for the six months ended 30 June 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Huiyin Smart Community Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**") and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on preliminary assessment of the unaudited consolidated management accounts of the Group, the Group is expected to record a substantial decrease in the loss or a net profit attributable to Shareholders for the six months ended 30 June 2017 ("**this Period**") as compared with a significant net loss attributable to Shareholders for the six months ended 30 June 2016 (the "**Comparative Period**"). The change is mainly attributable to the following reasons:

(i) for segment of household appliances, there had been provisions made by the Group for the Comparative Period in respect of the amounts due from suppliers, because the Group had given up some traditional household appliances distribution rights, which had occupied major cash resource in the past, for the Group's transition to smart community e-commerce business and the Group used the relevant resources to develop the new business of smart community e-commerce; the gross margin of retail increased in this Period. No significant impact from such provisions for this Period;

(ii) for segment of import merchandise and e-commerce, the sales of business to business and business to consumers, as well as sales of online and offline increased; expenses incurred by the Group for the Comparative Period from the share options granted to eligible participants due to the recruitment of a number of e-commerce professional employees based on the demand of human resources for the rapid expansion of the smart community e-commerce business. No significant impact from the expenses for this Period; and

(iii) for segment of supply chain management, the sales of import and export trade increased; the new export trade business lead to a growth in the Group's revenue and gross profit.

The Group's smart community e-commerce business developed steadily, and the management is confident to accomplish the transformation successfully. As the Company is still in the process of preparing its unaudited consolidated results for the six months ended 30 June 2017, the information contained in this announcement can only be treated as a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group. The information contained in this announcement is not based on any figures or information that has been audited or reviewed by the auditors of the Company. The interim results announcement of the Company for the six months ended 30 June 2017 have not been finalized as at the date of this announcement and is expected to be released by the end of August 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Huiyin Smart Community Co., Ltd.
Cao Kuanping
Chairman

Yangzhou, PRC
18 July 2017

As at the date of this announcement, the Board of Directors of the Company comprises four executive Directors, namely Mr. Cao Kuanping, Mr. Mo Chihe, Mr. Wang Zhijin and Mr. Lu Chaolin, two non-executive Directors, namely Mr. Song Liwu and Mr. Wang Cai, and three independent non-executive Directors, namely Mr. Zhou Shuiwen, Mr. Tam Chun Chung and Mr. Lo Kwong Shun Wilson.