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)

PROFIT WARNING

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 decrease in the loss attributable to Shareholders for the year ended 31 December 2017 as compared with a significant net loss attributable to Shareholders for the year ended 31 December 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 decrease in the loss attributable to Shareholders for the year ended 31 December 2017 ("**this Year**") as compared with a significant net loss attributable to Shareholders for the year ended 31 December 2016 (the "**Comparative Year**"). The change is mainly attributable to the following reasons:

(i) the Group entered into an equity transfer agreement dated 16 December 2016, pursuant to which the Group sold and transferred all the equity interest held in a subsidiary, as a result, the Group suffered a loss of approximately RMB90.2 million. No significant impact from the expenses for this Year;

(ii) the group reversed impairment provision of RMB40.7 million for advance payment to a supplier for this Year, while the group made the relevant impairment provision for the Comparative Year; and

(iii) expenses incurred by the Group for the Comparative Year 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 Year.

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 year ended 31 December 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 annual results announcement of the Company for the year ended 31 December 2017 have not been finalized as at the date of this announcement and is expected to be released by the end of March 2018.

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.
Yuan Li
Chairman

Yangzhou, PRC
26 January 2018

As at the date of this announcement, the Board of Directors of the Company comprises four executive Directors, namely Mr. Yuan Li, Mr. Cao Kuanping, Mr. Xu Xinying and Ms. Liu Simei, two non-executive Directors, namely Mr. Shen Xingpeng and Mr. Wang Cai, and three independent non-executive Directors, namely Mr. Li Michael Hankin, Mr. Tam Chun Chung and Mr. Zhao Jinyong.