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HUIYIN HOLDINGS GROUP LIMITED

匯銀控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1178)

QUARTERLY UPDATE ON SUSPENSION OF TRADING

This announcement is made by Huiyin Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements (the “**Announcements**”) of the Company dated 30 September 2020, 5 October 2020, 31 December 2020, 7 January 2021, 13 January 2021, 11 February 2021 and 26 February 2021 in relation to, among other things, (i) the delay in the publication of the 2020 Annual Results and the 2021 Interim Results; (ii) the appointment of RSM Corporate Advisory (Hong Kong) Limited (“**RSM**”) as the independent forensic accountant to review certain matters in relation to the audit of the 2020 Annual Results (the “**Matters**”); (iii) update on the listing status of the Company; (iv) the resumption guidance; and (v) the suspension of duties of certain Directors. Unless otherwise defined, capitalised terms used herein shall bear the same meanings as those defined in the Announcements.

UPDATE ON STATUS OF THE RESUMPTION PLAN

As disclosed in the Announcements, the Stock Exchange has set the following resumption guidance (the “**Resumption Guidance**”) for the Company as follows:

- (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (ii) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules;
- (iii) conduct an appropriate investigation into the Matters, announce the findings and take appropriate remedial actions; and
- (iv) inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position.

The Company is currently working closely with its professional advisers and taking active steps to address the Resumption Guidance.

UPDATE ON THE PUBLICATION OF THE 2020 ANNUAL RESULTS AND 2021 INTERIM RESULTS

As set out in the Announcements, the Company has not been able to provide sufficient information and documents to the Company's auditor for the audit of the US Subsidiary. In light of the ongoing Forensic Investigation as mentioned below, the audit of the 2020 Annual Results and the 2021 Interim Results have not been completed and therefore there will be a further delay in the publication of the 2020 Annual Results and the 2021 Interim Results as well as the despatch of the 2020 Annual Report and 2021 Interim Report.

The Company has been proactively working with the Company's auditors with a view to resolving the issues concerning the audit of the 2020 Annual Results and the 2021 Interim Results. The Company will publish further announcement to inform the Shareholders and potential investors of (i) the date of publication of the 2020 Annual Results and the 2021 Interim Results; and (ii) the date of despatch of the 2020 Annual Report and the 2021 Interim Report as and when appropriate.

UPDATE ON THE FORENSIC INVESTIGATION

The Company incorporated the US Subsidiary during the financial year ended 30 June 2020 ("FY2020"). Based on the then information available to the Board, the US Subsidiary recorded certain sales transactions during the period from May 2020 to June 2020. However, the Company has not been able to provide sufficient information and documents to the Company's auditor for the audit of the US Subsidiary. In view of the above, the Company has engaged RSM as the independent forensic accountant to perform the Forensic Review in relation to the Relevant Transactions.

As at the date of this announcement, RSM has conducted a preliminary review on the business model and operations of the US Subsidiary as well as the involvements of certain Directors in the operations of the US Subsidiary. Based on the preliminary findings of the Forensic Review, RSM had raised concerns over, among others, (i) the limited information and documents being made available for RSM to conduct the Forensic Review; (ii) the Company's reliance on the business partner (the "**Business Partner**") of the US Subsidiary for the day-to-day operations of the relevant business; (iii) the lack of supporting documents and records with regards to certain payments made by the Group to third parties; and (iv) the lack of supporting documents and records relating to certain alleged prepayments made by the Business Partner on behalf of the US Subsidiary. In view of the above, the Company has agreed to engage RSM for conducting a more detailed Forensic Review in relation to the Relevant Transactions. The Forensic Review is currently ongoing.

SUSPENSION OF DUTIES OF DIRECTORS

As set out in the Announcements, the Board has resolved, among other matters, to temporarily suspend the executive and/or administrative duties of (i) Mr. Li as an executive Director; (ii) Mr. Jiang as an executive Director; and (iii) Mr. Kam as a non-executive Director, as permitted by law all with effect from 10 February 2021 until further notice in order to facilitate the investigation by the Board as to whether there were any wrongdoings and/or negligence by Mr. Li, Mr. Jiang and Mr. Kam in carrying out their duties as Directors in relation to the Relevant Transactions. For details on the above, please refer to the announcement of the Company dated 11 February 2021.

UPDATE ON BUSINESS OPERATIONS OF THE GROUP

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and trading of BIOenergy products and healthcare food products.

The Group has been carrying on its existing businesses and expanding its distribution channels. The Directors considered that the coronavirus (“**COVID-19**”) pandemic had an adverse impact on the Group’s businesses for FY2020 as preventive and control measures such as regional traffic control and social distancing measures implemented by the PRC and Hong Kong Government had the effect of reducing the number of tourists and potential customers travelling to Hong Kong, resulting in lower demand for the Group’s BIOenergy products and healthcare food products.

In the past few months, there has been a trend of decreasing number of COVID-19 cases around the world, including in Hong Kong, which is attributable to the success of social distancing measures implemented by various Government, greater public awareness of COVID-19 as well as the use of anti-epidemic products such as face masks and alcohol-based hand rub by the general public and the implementation of vaccine rollouts around the world. In view of the above, the Directors considered that the Group’s businesses will recover when the COVID-19 pandemic is under effective control in the foreseeable future.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company has been suspended since 5 October 2020 pending the fulfilment of all the resumption conditions set out by the Stock Exchange and will remain suspended until further notice. The Company is working closely with its professional advisers towards the resumption of trading in the shares of the Company as soon as possible.

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

By order of the Board
Huiyin Holdings Group Limited
Chin Wai Keung Richard
Executive Director

Hong Kong, 1 April 2021

As at the date of this announcement, the Board comprises Mr. Li Dongming (duties suspended), Mr. Han Qingyun, Mr. Jiang Bian (duties suspended), Mr. Shi Zhengjian and Mr. Chin Wai Keung Richard as the executive Directors; Mr. Kam Kit (duties suspended) as the non-executive Director; and Mr. Chui Chi Yun Robert, Ms. Hui Yuet Yuet and Ms. Yang Bei as the independent non-executive Directors.