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## **HIGHLIGHT CHINA IOT INTERNATIONAL LIMITED**

**高銳中國物聯網國際有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1682)**

### **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the Group's loss attributable to owners of the Company for the year ended 31 March 2016 is expected to increase significantly as compared to that for the year ended 31 March 2015.

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

This announcement is made by Highlight China IoT International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Based on the preliminary assessment by the Group's management and the unaudited consolidated management accounts of the Group for the year ended 31 March 2016, the board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group's loss attributable to owners of the Company for the year ended 31 March 2016 is expected to increase significantly as compared to that for the year ended 31 March 2015.

Such loss for the year ended 31 March 2016 was mainly attributable to (i) the significant decline in revenue due to the modest economic recovery of the United States of America that still has weighed on buyers' confidence and made retailers particularly cautious in placing orders; (ii) the increase in selling and administrative expenses, including sampling expenses and rental of an office in Hong Kong; and (iii) the one-off expenses of professional fees of approximately HK\$4.4 million relating to the Acquisition (as defined in the announcement of the Company dated 25 March 2015) which automatically lapsed on

31 December 2015 (details of which were disclosed in the announcement of the Company dated 1 January 2016).

The Company is still in the process of finalizing the annual results of the Group for the year ended 31 March 2016. The information as set out above is only based on the latest assessment by the Board on the information currently available to it, including the management accounts for the year ended 31 March 2016, which are subject to audit and further review by the Company's auditors. The annual results announcement of the Company for the year ended 31 March 2016 are expected to be published at around the end of June 2016.

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

On behalf of the Board  
**Highlight China IoT International Limited**  
**Gao Zhiyin**  
*Chairman*

Hong Kong, 12 May 2016

*As at the date of this announcement, the Board comprises Mr. Gao Zhiyin, Mr. Gao Zhiping and Mr. Shi Jiguo as executive Directors; and Mr. Lau Chi Kit, Mr. Lam Kai Yeung and Mr. Ma Ming as independent non-executive Directors.*