

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

(1) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION (2) REVERSE TAKEOVER INVOLVING A NEW LISTING APPLICATION LAPSE OF AGREEMENT

Reference is made to the announcement (the “**Announcement**”) of Highlight China IoT International Limited (the “**Company**”) dated 25 March 2015 in relation to the proposed acquisition by the Company of the entire issued share capital of Highlight Holding Limited (高銳控股有限公司), which constitutes a very substantial acquisition, connected transaction and reverse takeover involving a new listing application for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

As disclosed in the Announcement, Closing shall take place within three business days after the Unconditional Date (being the first business day on or by which all conditions precedent have been fulfilled or waived in accordance with the Agreement), and that if the Unconditional Date has not occurred on or before 31 December 2015 (or such later date as the parties may agree in writing), the Agreement shall automatically lapse (other than in respect of certain surviving provisions). The Board would like to announce that the Unconditional Date has not occurred as at 31 December 2015 nor agreed in writing by the parties to be extended. Accordingly, the Agreement has automatically lapsed.

The Board considers that the lapse of the Agreement will not have any material adverse impact on the financial and operational position of the Group. The Board will continue to conduct a detailed review of its operations and formulate feasible business strategies with a view to developing a sustainable corporate strategy to broaden the Group’s income stream, which may include rebalancing the resources of the Group should appropriate opportunities arise in the future.

The Board will look for new business opportunities from time to time and thus enhance financial performance and to deliver better return to the Shareholders.

By Order of the Board
Highlight China IoT International Limited
Gao Zhiyin
Chairman

Hong Kong, 1 January 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.