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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)

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The board of directors (the “**Board**”) of Highlight China IoT International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that as the Board recently discovered that Dr. Chen Yifan (“**Dr. Chen**”), an independent non-executive director of the Company (“**Director**”), does not fulfill the independence criteria under Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), Dr. Chen has resigned as an independent non-executive Director with effect from 9 April 2015. Upon his resignation, Dr. Chen also ceased to be the chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Company.

In its preparation for the very substantial acquisition, reverse takeover and deemed new listing of the Company in connection with its proposed acquisition of 100% equity interest in Highlight Holding Limited (details of which are disclosed in the announcement of the Company dated 25 March 2015), having received legal advice, the Board discovered that Dr. Chen, who was appointed as an independent non-executive Director on 26 July 2014 (the “**Appointment Date**”), does not satisfy the independence criteria set out in Rule 3.13 of the Listing Rules for the following reasons:

- (1) From the Appointment Date to 15 December 2014, China TriComm Ltd. (“**China TriComm**”) and Irix Holding Limited (“**Irix**”) together held approximately 30.7% of the issued share capital of in Enablence Technologies Inc. (“**Enablence**”), which is a Canadian company listed on the TSX Venture Exchange (TSX.V:ENA). China TriComm is 100% owned by Unitech Enterprises Group Limited (“**Unitech**”), the Company’s controlling shareholder held as to 60% and 40% by executive Directors, Mr. Gao Zhiyin and Mr. Gao Zhiping, respectively, whilst Irix was in turn 60% held by China TriComm and 40% by Win Brand Limited (“**Win Brand**”) (an independent third party at the relevant time). Enablence was therefore a core connected person of the Company pursuant to the Listing Rules at the relevant time. Dr. Chen had been and remains the chief executive officer of Enablence. Accordingly, Dr. Chen did not fulfill the independence requirement under Rule 3.13(7) of the Listing Rules by virtue of him being an executive of a core connected person of the Company. From 15 December 2014 onwards, due to the further issue of shares by Enablence to an independent third party, the interests of China TriComm and Irix in Enablence fell to below 30%, and Enablence ceased to be a core connected person of the Company thereafter.
- (2) From 6 March 2015 and up to the date of this announcement, as a result of the issue of shares by Win Brand to Dr. Chen, Dr. Chen became a shareholder of Win Brand holding approximately 66.67% of its issued share capital. Win Brand holds a 40% interest in Irix. As a result, Dr. Chen does not fulfill the independence requirement under Rule 3.13(4) of the Listing Rules by virtue of his material interest in the business activity of or involvement in any material business dealings with Irix, which is currently 60% held by Mr. Gao Zhiyin, an executive Director and a controlling shareholder of the Company.

The Board and Dr. Chen have confirmed that the above non-compliance with Rule 3.13 of the Listing Rules is due to the inadvertent oversight and misunderstanding of Rule 3.13 of the Listing Rules. For future appointments of independent non-executive Directors, the Board confirms that it will undertake thorough investigation of the background of the candidate, including its directorships, management roles and shareholdings in other companies, family relationships and the existence of business dealings with the Group and its connected persons, in order to ascertain whether the candidate fulfills the independence criteria under Rule 3.13 of the Listing Rules. Further, the Board will seek legal advice on the requirements of Rule 3.13 of the Listing Rules prior to the appointment as appropriate.

Dr. Chen has confirmed that he has no disagreement with the Board and he is not aware of any other matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its sincere gratitude to Dr. Chen for his valuable contribution to the Company during his term of office.

On 9 April 2015, the Board has appointed Mr. Lam Kai Yeung, an independent non-executive Director, as the chairman of the remuneration committee and a member of the nomination committee of the Company.

Following the resignation of Dr. Chen, (i) the Company has only two independent non-executive Directors, which falls below the minimum number required under Rule 3.10(1) of the Listing Rules and (ii) the audit committee of the Company comprises only two members, which falls below the minimum number required under Rule 3.21 of the Listing Rules. The Board will identify and appoint a new independent non-executive Director to fill the vacancy as soon as possible within three months pursuant to Rule 3.11 of the Listing Rules. The Company will make a further announcement in relation to such appointment as and when appropriate.

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

Hong Kong, 9 April 2015

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 and Mr. Lam Kai Yeung as independent non-executive Directors.