THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Highlight China IoT International Limited, you should at once hand this circular with the accompanying proxy form to the purchaser(s) or the transferee(s) or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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)

PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES, RE-ELECTION OF DIRECTORS, REFRESHMENT OF THE GENERAL SCHEME LIMIT UNDER THE SHARE OPTION SCHEME, AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Highlight China IoT International Limited to be held at 26th Floor, 238 Des Voeux Road Central, Hong Kong on Friday, 29 September 2017 at 3:00 p.m. (Hong Kong time) is set out on pages 18 to 22 of this circular.

Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon and deposit it with Tricor Secretaries Limited, the branch share registrar of Highlight China IoT International Limited in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and, in any event, not later than 48 hours before the time appointed for the holding the meeting (i.e. 3:00 p.m. on Wednesday, 27 September 2017, Hong Kong time) or any adjournment thereof.

Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

31 August 2017

CONTENT

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"AGM" or "Annual General Meeting"	the annual general meeting of the Company to be convened and held at 26th Floor, 238 Des Voeux Road Central, Hong Kong on Friday, 29 September 2017 at 3:00 p.m. or any adjournment thereof
"AGM Notice"	the notice for convening the Annual General Meeting set out on pages 18 to 22 of this circular
"Annual Report"	the annual report of the Company for the year ended 31 March 2017 as published by the Company on 9 July 2017
"Board"	the board of Directors
"Bye-Laws"	the bye-laws of the Company, as amended from time to time
"close associate"	shall have the meaning ascribed to it under Rule 1.01 of the Listing Rules
"Companies Act"	the Companies Act 1981 of Bermuda
"Company"	Highlight China IoT International Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
"Deloitte"	Deloitte Touche Tohmatsu, Certified Public Accountants
"Director(s)"	the director(s) of the Company
"Extension of Issue Mandate"	a general and unconditional mandate proposed to be granted to the Directors to extend the Issue Mandate by an amount representing the total number of Shares repurchased under the Repurchase Mandate in the manner as set out in the AGM Notice
"General Scheme Limit"	the limit imposed under the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all options granted or to be granted under the Share Option Scheme and any other share option schemes of the Group, being 10% of the issued share capital of the Company as at 18 August 2011 being the date of the annual general meeting of the Company at which the scheme limit was refreshed

"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Issue Mandate"	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares of up to a maximum of 20% of the total number of Shares in issue as at the date of passing of the relevant resolution
"Latest Practicable Date"	29 August 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Repurchase Mandate"	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase Shares, the total number of which shall not exceed 10% of the total number Shares in issue as at the date of passing of the relevant resolution
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s) in issue
"Share Option Scheme"	share option scheme conditionally adopted by the Company on 2 June 2010 which became effective upon the Shares were listed on the Stock Exchange on 5 October 2010
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong
"%"	per cent.

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)

Executive Directors:
Mr. Gao Zhiyin *(chairman)*
Mr. Gao Zhiping *(chief executive officer)*
Mr. Feng Chen *(chief operating officer)*
Mr. Lam Kai Yeung *(chief financial officer)*

Independent non-executive Directors:
Mr. Lau Chi Kit
Mr. Ma Ming
Mr. Li Hui

Non-executive Director:
Mr. Chan Kin

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Rooms 4114-4119, 41st Floor
Sun Hung Kai Centre
No. 30 Harbour Road
Wanchai, Hong Kong

31 August 2017

To the Shareholders

Dear Sir/Madam,

PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES, RE-ELECTION OF DIRECTORS, REFRESHMENT OF THE GENERAL SCHEME LIMIT UNDER THE SHARE OPTION SCHEME, AND NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you the AGM Notice. Resolutions to be proposed at the Annual General Meeting include: (i) ordinary resolutions relating to the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension of Issue Mandate; (ii) ordinary resolution relating to the refreshment of the General Scheme Limit; and (iii) ordinary resolutions relating to the re-election of the Directors.

Pursuant to the Listing Rules, the Company is required to provide you with information reasonably necessary to enable you to make an informed decision as to whether to vote for or against the resolutions to be proposed at the Annual General Meeting. This circular is also prepared for such purpose.

2. GRANT OF ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted the Issue Mandate, i.e. a general and unconditional mandate to allot, issue or otherwise deal with new Shares of up to 20% of the total number of Shares in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 519,777,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company for the period from the Latest Practicable Date up to and including the date of the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 103,955,400 Shares, representing 20% of the Shares in issue as at the Latest Practicable Date.

3. REPURCHASE MANDATE AND EXTENSION OF ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will also be proposed to grant the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange or on any other stock exchange on which the Shares may be listed, Shares of up to a maximum of 10% of the total issued share capital of the Company as at the date of passing of the relevant resolution.

In addition, an ordinary resolution regarding the Extension of Issue Mandate will be proposed at the Annual General Meeting providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the total issued share capital of the Company as at the date of the grant of the Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

The Issue Mandate (including the Extension of Issue Mandate) and the Repurchase Mandate (if granted) would expire at the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the end of the period within which the Company is required by the Companies Act or the Bye-Laws to hold its next annual general meeting; and

(c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give all Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

4. RE-ELECTION OF DIRECTORS

In accordance with Bye-Law 108(A), each of Mr. Gao Zhiping and Mr. Lau Chi Kit will retire as Directors by rotation at the Annual General Meeting and, who being eligible, will offer themselves for re-election as Directors by the Shareholders at the Annual General Meeting.

As disclosed on page 16 of the Annual Report, it was proposed that a resolution will be submitted to the Annual General Meeting to re-elect Mr. Gao Zhiping as the executive Director.

However, following the completion of the sale and the purchase of 322,326,500 Shares pursuant to the sale and purchase agreement dated 12 July 2017 entered into between the Unitech Enterprises Group Limited and Rosy Lane International Limited, Rosy Lane International Limited became the controlling shareholder of the Company, being interested in approximately 62.01% of the entire issued share capital of the Company as at the Latest Practice Date and the printing of composite document dated 22 August 2017, it is intended that Mr. Gao Zhiyin and Mr. Gao Zhiping will resign with effect upon the later of (i) the date immediately after the closing date (i.e. 13 September 2017); and (ii) the earliest time permitted for their resignation under the Takeovers Code. Therefore, the resolution to re-elect Mr. Gao Zhiping will not be proposed at the Annual General Meeting. An announcement on the intended resignation will be made by the Company in due course in compliance with the requirements of the Listing Rules.

In accordance with Bye-Law 112, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Each of Mr. Feng Chen and Mr. Li Hui appointed by the Board to fill a casual vacancy shall hold office until the Annual General Meeting be subject to re-election at such meeting. Each of Mr. Chan Kin and Mr. Lam Kai Yeung appointed by the Board as an addition to the existing Board shall hold office only until the Annual General Meeting and shall retire and be eligible for re-election at the Annual General Meeting.

The particulars of Mr. Lau Chi Kit, Mr. Feng Chen, Mr. Lam Kai Yeung, Mr. Li Hui and Mr. Chan Kin are set out in Appendix II to this Circular.

5. RE-APPOINTMENT OF AUDITORS

In accordance with Bye-Law 176, Deloitte will retire as auditor of the Company with effect from the close of the Annual General Meeting.

As disclosed on page 23 of the Annual Report, it was proposed that a resolution for re-appointing Deloitte as auditor of the Company will be submitted to the Annual General Meeting to re-appoint Deloitte as the auditor of the Company.

However, as disclosed in the announcement of the Company dated 31 August 2017, Deloitte has resigned as auditor of the Company with effect from 31 August 2017 and Pan-China (H.K.) CPA Limited has been appointed as the new auditor of the Company to fill the casual vacancy with effect from 31 August 2017. Please refer to the announcement of the Company dated 31 August 2017 for further details.

Therefore, a resolution to re-appoint Pan-China (H.K.) CPA Limited as the auditor of the Company will be proposed at the Annual General Meeting in accordance with Bye-Law.

6. PROPOSED REFRESHMENT OF GENERAL SCHEME LIMIT

The Share Option Scheme was conditionally adopted by the Company on 2 June 2010 and came into effect on 5 October 2010. The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants as incentives or rewards for their contribution to the Group. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force.

Pursuant to Chapter 17 of the Listing Rules, the total number of securities which may be issued upon exercise of all options to be granted under a share option scheme and any other schemes of a listed issuer must not in aggregate exceed 10% of the relevant class of securities of the listed issuer in issue as at the date of approval of the scheme. The listed issuer may seek approval by its shareholders in general meeting for "refreshing" the 10% limit under the scheme. However, the total number of securities which may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer under the limit as "refreshed" must not exceed 10% of the relevant class of securities in issue as at the date of approval of the refreshed limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as "refreshed". The Listing Rules also provide that the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30% of the relevant class of securities of the listed issuer in issue from time to time.

Refreshment of the General Scheme Limit has been sought by the Company under the Listing Rule and the General Scheme Limit was refreshed once at the annual general meeting of the Company held on 18 August 2011. No options have been granted under the General Scheme Limit and therefore no options had been exercised, lapsed or cancelled during the period between 18 August 2011 and the Latest Practicable Date. There were no share options outstanding under the Share Option Scheme as at the Latest Practicable Date.

The Directors therefore consider that the Company should refresh the General Scheme Limit as this will enable the Company to grant share options to eligible participants, being any employee, any non-executive directors of the Group (including independent non-executive directors of the Group) and any supplier, consultant, agent, adviser, shareholder, customer, partner or business associate who, at the sole discretion of the Board, will contribute or has contributed to the Group as incentives or rewards for their valuable contribution and efforts made in promoting the interests of the Group.

Proposal

It is therefore proposed that subject to (i) the approval of the Shareholders at the AGM and (ii) such other requirements as prescribed under the Listing Rules being fulfilled, the general limit on the grant of share options under the Share Option Scheme will be refreshed to 10% of the Shares in issue as at the date of the approval by the Shareholders at the AGM, and the share options previously granted under the Share Option Scheme and any other share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with such scheme(s) or exercised share options) will not be counted for the purpose of calculating the scheme limit as refreshed.

As at the Latest Practicable Date, there were 519,777,000 Shares in issue. Assuming that no further Share will be issued prior to the AGM and the said refreshment is approved at the AGM, then the maximum number of Shares that can be allotted and issued upon the exercise of share options which may be granted by the Company pursuant to the Share Option Scheme under the proposed refreshed scheme limit would be 51,977,700, being 10% of the total number of issued Shares as at the date of passing of the resolution approving the said refreshment at the AGM.

Conditions

As required by the Share Option Scheme and the Listing Rules, an ordinary resolution will be proposed at the AGM to approve the refreshment of the General Scheme Limit.

The refreshment of the General Scheme Limit is conditional upon:

(i) the passing of an ordinary resolution at the AGM to approve the said refreshment; and

(ii) the Stock Exchange granting the approval of the listing of, and permission to deal in, the new Shares to be allotted and issued upon exercise of any share options that may be granted under the refreshed limit the Share Option Scheme up to 10% of the issued Shares as at the date of passing the relevant ordinary resolution of the AGM.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in, new Shares which may fall to be allotted and issued upon exercise of any share options that may be granted under the refreshed limit of the Share Option Scheme.

7. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The AGM Notice is set out on pages 18 to 22 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, among other matters, the following:

(a) the grant of the Issue Mandate, the Repurchase Mandate and the Extension of Issue Mandate;

(b) the refreshment of the General Scheme Limit under the Share Option Scheme; and

(c) the re-election of Directors.

You will find enclosed with this circular a proxy form for use at the Annual General Meeting. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and, in any event no later than 48 hours before the time appointed for holding the Annual General Meeting (i.e. 3:00 p.m. on Wednesday, 27 September 2017, Hong Kong time). Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

After the conclusion of the Annual General Meeting, the poll results will be published on the websites of the Stock Exchange and the Company.

8. RESPONSIBILITY STATEMENT

This circular, for which the Board collectively and individually accepts full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Board, having made all reasonable enquiries, confirms that, to the best of its knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular or this circular misleading.

9. RECOMMENDATIONS

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate, the Extension of Issue Mandate, the refreshment of the General Scheme Limit under the Share Option Scheme and the re-election of Directors are all in the best interests of the Company and the Shareholders as a whole.

The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases of Shares will benefit the Company and the Shareholders as a whole.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 March 2017, being the date of its latest audited consolidated accounts. The Directors do not, however, intend to make any repurchase of Shares in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

The purpose of the refreshment of the General Scheme Limit under the Share Option Scheme was to enable the Company to grant share options to eligible participants as incentives or rewards for their contribution to the Group. The Board believes that it will be for the benefit of the Company and its Shareholders as a whole that eligible participants of the Share Option Scheme are granted rights to obtain equity holdings of the Company through the grant of share options under the Share Option Scheme. This will motivate the eligible participants to contribute further to the success of the Group.

Accordingly, the Directors recommend that all Shareholders should vote in favour of the ordinary resolutions approving the grant of the Issue Mandate, the Repurchase Mandate, the Extension of Issue Mandate, the refreshment of the General Scheme Limit under the Share Option Scheme and the re-election of Directors at the Annual General Meeting.

10. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. Unless otherwise stated in case of any inconsistency between the English and the Chinese translation of this circular, the English version shall prevail.

Yours faithfully,
For and on behalf of the Board of
Highlight China IoT International Limited
Gao Zhiyin
Chairman

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to enable you to make an informed decision whether to vote in favour of or against the resolution to approve the grant of the Repurchase Mandate to the Directors.

1. LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 519,777,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 51,977,700 Shares, representing 10% of the total issued Shares as at the date of passing of the resolution.

3. REASONS OF REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the power of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. Such an exercise will only be made if the Directors believe that a repurchase of Shares will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association of the Company and the Bye-Laws, the Listing Rules and the applicable laws of Bermuda and the Companies Act.

Under the Companies Act, a company may only repurchase its own securities out of capital paid up on its shares to be repurchased or out of the funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose.

Any amount of premium payable on a repurchase over the par value of the Shares may only be effected out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account. Such repurchase may not be made if, on the date the repurchase is to be effected, there are reasonable grounds for believing that the Company is, or after the repurchase would be, unable to pay its liabilities as they become due.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with that as at 31 March 2017, being the date of its latest published audited consolidated accounts. However, the Directors do not intend to make any repurchases of Shares to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements and/or the gearing position of the Group which in the opinion of the Directors are from time to time appropriate for the Group.

5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous 12 months and up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest	**Lowest**
	(HK$)	*(HK$)*
2016		
August	1.08	0.93
September	1.10	0.87
October	1.15	0.87
November	0.99	0.90
December	0.95	0.87
2017		
January	1.22	0.91
February	2.01	0.88
March	1.68	1.15
April	1.40	1.15
May	1.55	1.12
June	1.34	1.06
July	1.35	0.97
August (up to the Latest Practicable Date)	1.06	0.93

6. TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Rosy Lane International Limited was interested in 322,326,500 Shares, representing approximately 62.01% of the existing issued Shares. On the basis of 519,777,000 Shares in issue as at the Latest Practicable Date and assuming no further issue and repurchase of Shares up to the date of the Annual General Meeting, if the Repurchase Mandate were exercised in full, the percentage interest of Rosy Lane International Limited would increase to approximately 68.90% of the then issued Shares. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Board is also not aware of any other Shareholder which may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code if the Board exercises the powers of the Company to repurchase Shares pursuant to Repurchase Mandate.

7. GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to repurchase Shares pursuant to the Repurchase Mandate in accordance with the memorandum of association of the Company, the Bye-Laws, the Listing Rules, the applicable laws of Bermuda and the Companies Act.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell Shares to the Company if the grant of the Repurchase Mandate is approved at the Annual General Meeting and exercised.

As at the Latest Practicable Date, no core connected persons of the Company (as defined in the Listing Rules) had notified the Company of a present intention to sell Shares nor had such connected persons undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

Set out below are details of the Directors proposed to be re-elected at the Annual General Meeting:

Executive Directors

Mr. Feng Chen ("Mr. Feng")

Mr. Feng, aged 45, was appointed as an executive Director and the chief operating officer of the Company on 31 May 2017.

Mr. Feng graduated from Southwest China Normal University* (西南師範大學) with a bachelor degree in public service administration. He also completed a diploma programme for Executive Master of Business Administration from Huazhong University of Science and Technology* (華中科技大學). During 1989 to 1993, he worked for Hangzhou Wushan sub-branch of China Construction Bank. During 1999 to 2003, he served as a manager of Credit Department of Wulin sub-branch of Hangzhou branch of Shenzhen Development Bank. During 2003 to 2011, he acted as deputy general manager of business department and the general manager of corporate finance department of Hangzhou sub-branch of China Minsheng Bank. Since 2012, he was appointed as a director of Zhejiang Futeng Finance Leasing Co., Ltd.* (浙江富藤融資租賃有限公司), a company established in the PRC. Since 2016, he was also appointed as a director of Hangzhou Fengchen Technology Co., Ltd.* (杭州烽辰科技有限公司), a company incorporated in the PRC.

Save as disclosed above, he does not have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder and has not held any directorship in any other listed companies in the three years prior to the Latest Practicable Date.

A service contract has been signed by Mr. Feng and the Company, pursuant to which he is entitle to an annual remuneration of HK$1,300,000, determined with reference to the remuneration policy of the Company, his duties and responsibilities with the Company and the prevailing market conditions. Mr. Feng has been appointed for a term of three years commencing from 31 May 2017, subject to retirement and re-election pursuant to the Bye-Laws and applicable laws and regulations.

As at the Latest Practicable Date, Mr. Feng does not have any interest or deemed interest in the shares of the Company within the meaning of Part XV of the SFO, and there are no other matters concerning Mr. Feng that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to (h) to (v) of Rule 13.51(2) of the Listing Rules.

Mr. Lam Kai Yeung ("Mr. Lam")

Mr. Lam, aged 48, was appointed as an executive Director on 30 June 2017. He served as an independent non-executive Director from 16 August 2014 to 1 May 2017, and was redesignated as the chief financial officer of the Company on the day of his resignation as an independent non-executive Director on 1 May 2017.

Mr. Lam is an independent non-executive director of Finsoft Financial Investment Holdings Limited (stock code: 8018) (formerly known as "Finsoft Corporation 匯財軟件公司") and Kong Shum Union Property Management (Holding) Limited (stock code: 8181), both companies are listed on the Growth Enterprise Market ("GEM") of the Stock Exchange. He is also an independent non-executive director of Silverman Holdings Limited (stock code: 1616), Sunway International Holdings Limited (stock code: 58), Holly Futures Co., Limited (弘業期貨股份有限公司) (stock code: 3678) and Kin Shing Holdings Limited (stock code: 1630), those companies are listed on the Main Board of the Stock Exchange.

Mr. Lam was an independent non-executive director of Northeast Tiger Pharmaceutical Co., Ltd. (stock code: 8197), a company listed on the GEM, from August 2008 to June 2015. He was a non-executive director of Ping Shan Tea Group Limited (stock code: 364) (formerly known as "Huafeng Group Holdings Limited"), a company listed on the Main Board of the Stock Exchange, from December 2014 to May 2015.

Mr. Lam is a fellow of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a licensed person for type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. He is also a Certified Dealmaker. He has more than 20 years' experience in finance and auditing. He obtained a bachelor degree in accounting from Xiamen University (廈門大學) in July 1990 and a master degree in business administration from Oxford Brookes University in the United Kingdom in July 2010.

Save as disclosed above, Mr. Lam does not have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder and has not held any directorship in any other listed companies in the three years prior to the Latest Practicable Date.

A service contract has been signed by Mr. Lam and the Company, pursuant to which he is entitle to an annual remuneration of HK$1,300,000, determined with reference to the remuneration policy of the Company, his duties and responsibilities with the Company and the prevailing market conditions. Mr. Lam has been appointed for a term of three years commencing from 30 June 2017, subject to retirement and re-election pursuant to the Bye-Laws and applicable laws and regulations.

As at the Latest Practicable Date, Mr. Lam does not have any interest or deemed interest in the shares of the Company within the meaning of Part XV of the SFO, and there are no other matters concerning Mr. Lam that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to (h) to (v) of Rule 13.51(2) of the Listing Rules.

Independent non-executive Directors

Mr. Lau Chi Kit ("Mr. Lau")

Mr. Lau, aged 72, was appointed as an independent non-executive Director on 8 September 2010 and resigned and re-appointed as an independent non-executive Director with effect from 16 August 2014. He retired from The Hongkong and Shanghai Banking Corporation Limited ("HSBC") in December 2000 after more than 35 years of service. Among the major positions in HSBC, he was the assistant general manager and head of Personal Banking Hong Kong and assistant general manager and head of Strategic Implementation, Asia-Pacific Region.

Mr. Lau is currently a fellow of the Hong Kong Institute of Bankers ("Institute") and the honorary advisor of the Institute's Executive Committee. He was the chairman of the Institute's Executive Committee (from January 1999 to December 2000).

Mr. Lau served as a member on a number of committees appointed by the Government of the Hong Kong Special Administrative Region, including the Advisory Council on the Environment (from October 1998 to December 2001), the Advisory Committee on Human Resources Development in the Financial Services Sector (from June 2000 to May 2001), the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption (from January 2000 to December 2003), the Environment and Conservation Fund Committee (from August 2000 to October 2006), the Innovation and Technology Fund (Environment) Projects Vetting Committee (from January 2000 to December 2004) and the Law Reform Commission's Privacy Sub-committee (from February 1990 to March 2006). He also served as chairman of the Business Environment Council Limited (from September 1998 to December 2001).

Currently, Mr. Lau is an executive director of Chinlink International Holdings Limited (stock code: 997) (formerly known as "Decca Holdings Limited"). He is an independent non-executive director of Royale Furniture Holdings Limited (stock code: 1198), Century Sunshine Group Holdings Limited (stock code: 509) and Leoch International Technology Limited (stock code: 842). All of those companies are listed on the Main Board of the Stock Exchange. He is also an independent non-executive director of Janco Holdings Limited (駿高控股有限公司) (stock code: 8035), a company listed on the GEM of the Stock Exchange.

Save as disclosed above, Mr. Lau does not have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder and has not held any directorship in any other listed companies in the three years prior to the Latest Practicable Date.

A letter of appointment has been signed by Mr. Lau and the Company, pursuant to which he is entitle to an annual director's fee of HK$250,000 per annual, which is determined with reference to the remuneration policy of the Company, his duties and responsibilities with the Company and the prevailing market conditions and is in line with the director's fee currently payable to other independent non-executive Directors. Mr. Lau has been appointed for a term of three years commencing from 16 August 2014, subject to, amongst other things, retirement and re-election pursuant to the Bye-Laws and applicable laws and regulations.

As at the Latest Practicable Date, Mr. Lau did not have any interest, deemed interest or short position in any Shares, underlying shares or debentures of the Company (within the meaning of Part XV of the SFO) and there is no other information relating to Mr. Lau that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules (in particular, paragraphs (h) to (v) of that Rule) and no other matter in relation to his re-election of Director at Annual General Meeting that needs to be brought to the attention of the Shareholders.

Mr. Li Hui ("Mr. Li")

Mr. Li, aged 48, was appointed as an independent non-executive Director on 17 May 2017.

Mr. Li graduated from Henan University with a Master of Arts in English Language and Literature in 1995 and from Royal Melbourne Institute of Technology University of Australia with a master degree of Business Administration (International Management) in 2004. He has been working for Henan Hong Kong (Holdings) Limited since 1995 and has been the managing director since 2006. From January 2005 to March 2006, he worked for Bright Star Resources (Holding) Pte Ltd. In Singapore as executive general manager. He has extensive experience in corporate management, investment, financing and merger and acquisition in electricity, nonferrous metals, automobiles and biopharmaceuticals businesses.

Since March 2017, Mr. Li has been an independent non-executive director of China Smarter Energy Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1004).

Save as disclosed above, Mr. Li does not have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder and has not held any directorship in any other listed companies in the three years prior to the Latest Practicable Date.

A letter of appointment has been signed by Mr. Li and the Company, pursuant to which he is entitle to an annual director's fee of HK$250,000 per annual, which is determined with reference to the remuneration policy of the Company, his duties and responsibilities with the Company and the prevailing market conditions and is in line with the director's fee currently payable to other independent non-executive Directors. Mr. Li has been appointed for a term of three years commencing from 17 May 2017, subject to, amongst other things, retirement and re-election pursuant to the Bye-Laws and applicable laws and regulations.

As at the Latest Practicable Date, Mr. Li did not have any interest, deemed interest or short position in any Shares, underlying shares or debentures of the Company (within the meaning of Part XV of the SFO) and there is no other information relating to Mr. Li that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules (in particular, paragraphs (h) to (v) of that Rule) and no other matter in relation to his re-election of Director at Annual General Meeting that needs to be brought to the attention of the Shareholders.

Non-executive Director

Mr. Chan Kin ("Mr. Chan")

Mr. Chan, aged 53, was appointed as a non-executive Director on 12 June 2017.

Mr. Chan graduated from Shanghai Institute of Foreign Trade* (上海外貿職工大學) in 1980s and immigrated to Hong Kong in 1990s. He engaged in international trade, marketing, finance and investment risk management and other industries. Since 1993, he has been self-employed and founded Fong Shing Investment Limited. With the practical working experience accumulated in Hong Kong and China in the past 30 years, he has been engaged in the project investment research, operation planning and business evaluation of the project as well as the provision of advice regarding corporate strategic management, investment management and capital operation management and risk.

Save as disclosed above, Mr. Chan does not have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder and has not held any directorship in any other listed companies in the three years prior to the Latest Practicable Date.

A letter of appointment has been signed by Mr. Chan and the Company, pursuant to which he is entitle to a director's fee of HK$10,000 per month, which is determined by the Board by reference to his experience, duties and responsibilities at the Company. Mr. Chan has been appointed for a term of one year commencing from 12 June 2017, subject to, amongst other things, retirement and re-election pursuant to the Bye-Laws and applicable laws and regulations.

As at the Latest Practicable Date, Mr. Chan did not have any interest, deemed interest or short position in any Shares, underlying shares or debentures of the Company (within the meaning of Part XV of the SFO) and there is no other information relating to Mr. Chan that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules (in particular, paragraphs (h) to (v) of that Rule) and no other matter in relation to his re-election of Director at Annual General Meeting that needs to be brought to the attention of the Shareholders.

* *For identification purposes only*

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Highlight China IoT International Limited (the "**Company**") will be held at 26th Floor, 238 Des Voeux Road Central, Hong Kong on Friday, 29 September 2017 at 3:00 p.m. for the following purposes:

As Ordinary Business:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors ("**Directors**") and auditors of the Company for the year ended 31 March 2017.

2. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:

   (a) to re-elect Mr. Feng Chen as an executive Director;

   (b) to re-elect Mr. Lam Kai Yeung as an executive Director;

   (c) to re-elect Mr. Lau Chi Kit as an independent non-executive Director;

   (d) to re-elect Mr. Li Hui as an independent non-executive Director;

   (e) to re-elect Mr. Chan Kin as a non-executive Director; and

   (f) to authorise the board of Directors to fix the Directors' remuneration.

3. To re-appoint Pan-China (H.K.) CPA Limited as the auditor of the Company and to authorise the board of directors to fix their remuneration.

As Special Business:

4. To consider and, if thought fit, pass (with or without amendments) the following resolution as an ordinary resolution:

   "**THAT**:

   (a) subject to paragraph (c) below of this resolution, pursuant to the Rules Governing the Listing of Securities ("**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the

Company to allot, issue or otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares in the Company, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate number of shares of the Company allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above of this resolution, otherwise than pursuant to:

(i) a Rights Issue (as defined below);

(ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules;

(iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares in the Company in lieu of the whole or part of a dividend on shares in the Company in accordance with the bye-laws of the Company (the "**Bye-Laws**") in force from time to time; or

(iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares in the Company;

shall not exceed the aggregate of:

(aa) 20 per cent. of the total number of shares of the Company in issue on the date of the passing of this resolution; and

(bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the total number of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the total number of shares of the Company in issue as at the date of the passing of this resolution) and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

"**Relevant Period**" means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws, the Companies Act 1981 of Bermuda (the "**Companies Act**") or any other applicable laws of Bermuda to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

"**Rights Issue**" means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares in the Company open for a period fixed by the Directors to holders of shares in the Company on the Company's register of members on a fixed record date in proportion to their then holdings of shares in the Company (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong)."

5. To consider and, if thought fit, pass (with or without amendments) the following resolution as an ordinary resolution:

"**THAT**:

(a) subject to paragraph (b) below of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase shares in the capital of the Company on the Stock Exchange or any other stock exchange on which shares in the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

(b) the aggregate number of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) above of this resolution during the Relevant Period shall not exceed 10 per cent. of the total number of shares of the Company in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(c) for the purposes of this resolution, "**Relevant Period**" means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws, the Companies Act or any other applicable laws of Bermuda to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution."

6. To consider and, if thought fit, pass (with or without amendments) the following resolution as an ordinary resolution:

"**THAT** conditional on the passing of resolutions nos. 4 and 5 above, the general mandate granted to the Directors pursuant to resolution no. 4 above be and it is hereby extended by the addition to the total number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate of an amount representing the total number of shares of the Company purchased by the Company pursuant to or in accordance with the authority granted under resolution no. 5 above."

7. "**THAT** pursuant to the terms of the share option scheme ("**Share Option Scheme**") of the Company, conditionally adopted by the Company on 2 June 2010 and approved be and is hereby generally and unconditionally granted for "refreshing" the 10% general scheme limit provided that (i) the total number of shares of HK$0.01 each in the capital of the Company which may be issued upon the exercise of all options to be granted under the Share Option Scheme and other share option schemes of the Company under the limit as "refreshed" hereby shall not exceed 10% of the total number of shares of the Company in issue as at the date of the passing of this resolution; and (ii) options previously granted under the Share Option Scheme (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the general scheme limit as "refreshed" hereby."

By order of the board of Directors of
Highlight China IoT International Limited
Sze Suet Ling
Company Secretary

Hong Kong, 31 August 2017

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Rooms 4114-4119, 41st Floor
Sun Hung Kai Centre
No. 30 Harbour Road
Wanchai, Hong Kong

Notes:

1. A member entitled to attend and vote at the annual general meeting of the Company convened by this notice is entitled to appoint one or more proxy to attend and vote on his behalf. A member who is the holder of two or more shares and entitled to attend and vote at the meeting convened by this notice is entitled to appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company.

2. To be valid, the proxy form together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 48 hours before the time of holding the annual general meeting of the Company (i.e. 3:00 p.m. on Wednesday, 27 September 2017, Hong Kong time) or any adjourned meeting.

3. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company.

4. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the circular of the Company dated 31 August 2017.

5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

6. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto to. If more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

7. Record date (being the last date of registration of any share transfer given there will be no book closure) for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be on Monday, 25 September 2017. In order to be eligible to attend and vote at the AGM, unregistered holders of the shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. (Hong Kong time) on Monday, 25 September 2017.

8. As at the date of this notice, the board of Directors comprises Mr. Gao Zhiyin, Mr. Gao Zhiping, Mr. Feng Chen and Mr. Lam Kai Yeung as executive Directors; Mr. Lau Chi Kit, Mr. Ma Ming and Mr. Li Hui as independent non-executive Directors; and Mr. Chan Kin as non-executive Director.