THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this supplemental 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 supplemental circular together with the accompanying second 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)

SUPPLEMENTAL CIRCULAR TO THE CIRCULAR TO SHAREHOLDERS DATED 31 AUGUST 2017 IN RELATION TO THE RE-ELECTION OF A DIRECTOR AT THE ANNUAL GENERAL MEETING AND SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

This supplemental circular should be read together with the circular issued by Highlight China IoT International Limited (the "**Company**") to its shareholders dated 31 August 2017 and the notice convening annual general meeting of the Company (the "**AGM**") at 3:00 p.m. (Hong Kong time) on Friday, 29 September 2017 at 26th Floor, 238 Des Voeux Road Central, Hong Kong. A second form of proxy (the "**Second Proxy Form**") is also enclosed with this supplemental circular for use at the AGM.

Whether you are able to attend the AGM or not, you are requested to complete the enclosed Second Proxy Form in accordance with the instructions printed on it and return the completed Second Proxy Form to Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM (i.e. at 3:00 p.m. on Wednesday, 27 September 2017, Hong Kong time) or any adjournment thereof (as the case may be). Completion and return of the Second Proxy Form shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

14 September 2017

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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)

Executive Directors:
Mr. Zhi Hua *(chairman)*
Mr. Feng Chen *(chief operating officer)*
Mr. Lam Kai Yeung *(chief executive 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:
25th & 26th Floor
238 Des Voeux Road Central
Hong Kong

14 September 2017

To the Shareholders

Dear Sir/Madam,

SUPPLEMENTAL CIRCULAR TO THE CIRCULAR TO SHAREHOLDERS DATED 31 AUGUST 2017 IN RELATION TO THE RE-ELECTION OF A DIRECTOR AT THE ANNUAL GENERAL MEETING AND SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The supplemental circular should be read together with the circular of the Company dated 31 August 2017 (the "**Circular**") which contain, inter alia, the notice of AGM of which one of the agenda items is the re-election of retiring Directors of the Company. Reference is also made to the announcement of the Company dated 13 September 2017, in relation to, amongst others, the change of Directors (the "**Announcement**"). Unless otherwise defined, capitalised terms used in this supplemental circular shall have the same meanings at those defined in the Circular and the Announcement.

The purpose of this supplemental circular is to give you further information relating to the ordinary resolution for re-election of an additional retiring Director at the AGM, and to give you a supplemental notice of the AGM and the Second Proxy Form.

2. RE-ELECTION OF DIRECTORS

As at 13 September 2017 (being the latest practicable date prior to the printing of this supplemental circular for ascertaining certain information referred to in this supplemental circular, the "**Latest Practicable Date**"), the Board comprises seven Directors namely Mr. Zhi Hua, Mr. Feng Chen, Mr. Lam Kai Yeung, Mr. Lau Chi Kit, Mr. Ma Ming, Mr. Li Hui and Mr. Chan Kin.

Subsequent to the despatch of the Circular, and as disclosed in the Announcement, Mr. Zhi Hua was appointed as an executive Director with effect from 13 September 2017. According to Bye-Law 112, 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. Accordingly, Mr. Zhi Hua shall retire from office as a Director at the AGM and being eligible, offer himself for re-election.

As a result, there are now six retiring Directors standing for re-election as Directors at the AGM. The resolution relating to the re-election of Mr. Zhi Hua as an executive Director will be set out in the supplemental notice of the AGM.

Brief biographical details of Mr. Zhi Hua are set out in Appendix I to this supplemental circular.

3. SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING AND SECOND PROXY FORM ARRANGEMENT

Since the notice of the AGM and the form of proxy (the "**First Proxy Form**") sent together with the Circular do not contain the proposed resolution for the re-election of Mr. Zhi Hua as an executive Director as set out in this supplemental circular, a supplemental notice of AGM has been set out on page 6 of this supplemental circular and the Second Proxy Form is enclosed with this supplemental circular to include such proposed resolution.

Whether or not you intend to attend and vote at the AGM in person, you are requested to complete the Second Proxy Form in accordance with the instructions printed on it and return the completed Second Proxy Form to Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM (i.e. at 3:00 p.m. on Wednesday, 27 September 2017, Hong Kong time) or any adjournment thereof (as the case may be) (the "**Closing Time**"). Shareholders who have appointed or intend to appoint proxy to attend the AGM are requested to pay particular attention to the following arrangement in relation to the completion and submission of the Second Proxy Form:

A Shareholder who has not yet lodged the First Proxy Form with the branch share registrar of the Company in Hong Kong is requested to lodge the Second Proxy Form if he/she wishes to appoint proxy to attend, speak and vote at the AGM on his/her behalf. In this case, the First Proxy Form should not be lodged with the branch share registrar of the Company in Hong Kong.

A Shareholder who has already lodged the First Proxy Form with the branch share registrar of the Company in Hong Kong should note that:

(i) If no Second Proxy Form is lodged with the branch share registrar of the Company in Hong Kong, the First Proxy Form, if correctly completed, will be treated as a valid proxy form lodged by him/her. The proxy so appointed by the Shareholder will be entitled to cast the vote at his/her discretion or to abstain from voting on any resolution properly put to the AGM (including, if properly put, the ordinary resolution for the re-election of Mr. Zhi Hua as an executive Director as set out in this supplemental circular) except for those resolutions to which the Shareholder has indicated his/her voting direction in the First Proxy Form.

(ii) If the Second Proxy From is lodged with the branch share registrar of the Company in Hong Kong before the Closing Time, the Second Proxy Form, if correctly completed, will revoke and supersede the First Proxy Form previously lodged by him/her. The Second Proxy Form will be treated as a valid proxy form lodged by the Shareholder.

(iii) If the Second Proxy Form is lodged with the branch share registrar of the Company in Hong Kong after the Closing Time, or is lodged before the Closing Time but is incorrectly completed, the proxy appointment under the Second Proxy Form will be invalid. The proxy so appointed by the Shareholder under the First Proxy Form, if correctly completed, will be entitled to vote in the manner as mentioned in (i) above as if no Second Proxy Form was lodged with the branch share registrar of the Company in Hong Kong. Accordingly, Shareholders are advised to complete the Second Proxy Form carefully and lodge the Second Proxy Form with the branch share registrar of the Company in Hong Kong before the Closing Time.

Shareholders are reminded that submission of the First Proxy Form and/or the Second Proxy Form shall not preclude Shareholders from attending the AGM or any adjourned meeting thereof and voting in person should they so wish.

If you are a non-registered Shareholder, i.e. your Shares are held through an intermediary (for example, a bank, custodian or securities broker) or registered in the name of your nominee, you will not receive the Second Proxy Form directly from the Company, and you will need to give instructions to your intermediary/nominee to vote on your behalf. If you wish to attend, speak and vote at the AGM, you should seek authorisation to do so from your intermediary/nominee directly.

4. RECOMMENDATION

In addition to the recommendations contained in the Circular, the Directors are of the opinion that the proposed re-election of Mr. Zhi Hua as an executive Director as set out in this supplemental circular is in the best interests of the Company and its Shareholders as a whole and recommend you to vote in favour of the ordinary resolution for the proposed re-election of Mr. Zhi Hua as an executive Director at the AGM.

5. RESPONSIBILITY STATEMENT

This supplemental circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this supplemental 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 herein or this supplemental circular misleading.

Shareholders are advised to read this supplemental circular together with the Circular for information relating to the voting arrangement.

Yours faithfully
For and on behalf of the Board of
Highlight China IoT International Limited
Zhi Hua
Chairman

The biographical details of the additional Director eligible for re-election at the AGM are set out below:

Mr. Zhi Hua, an executive Director

Mr. Zhi Hua ("**Mr. Zhi**"), aged 44, graduated from China University of Geosciences with a diploma in economics through distance learning in July 2007. He has been conducting business in certain companies, including Hangzhou Zhihua Municipal Construction Company Limited* (杭州支華市政工程有限公司), which is principally engaged in municipal and infrastructure construction since February 2003, Hangzhou Huazhiying Investment Management Company Limited* (杭州華之贏投資管理有限公司), which is principally engaged in provision of investment management and advisory services since November 2014 and Hangzhou Zhishi Technology Company Limited* (杭州支氏科技有限公司) and Hangzhou Huayingbao Technology Company Limited* (杭州華贏寶網絡科技有限公司) which are principally engaged in technology development, advisory and transfer on computer hardware, software and electronic products in the PRC since August 2002 and December 2015 respectively.

Save as disclosed above and as at the Latest Practicable Date, Mr. Zhi has not held any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas nor hold any other position with the Company or any of its subsidiaries before his appointment as an executive Director.

Mr. Zhi has entered into a service contract with the Company on 13 September 2017 for a term of three years commencing from 13 September 2017, subject to retirement and re-election pursuant to the Bye-Laws and applicable laws and regulations. Pursuant to the service contract, Mr. Zhi will not receive any remuneration from the Company for acting as the executive Director.

As at the Latest Practicable Date, Mr. Zhi owns the entire issued share capital of the Offeror, which in turn owns 322,409,404 shares of the Company, representing approximately 62.03% of the issued shares of the Company as at the Latest Practicable Date. Therefore, Mr. Zhi is deemed to be interested in 62.03% of the issued shares of the Company which is beneficially owned by the Offeror for the purpose of the SFO.

Save as disclosed above and as at the Latest Practicable Date, Mr. Zhi does not have, and/or is not deemed to have any interests in the shares of the Company within the meaning of Part XV of the SFO. Further Mr. Zhi does not have any relationship with any Directors, senior management or substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no information to be disclosed pursuant to Rules 13.51(2) of the Listing Rules (particularly in relation to subparagraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Zhi as an executive Director.

* *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)

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

This notice is supplemental to the notice of the annual general meeting (the "**AGM Notice**") dated 31 August 2017 issued by Highlight China IoT International Limited (the "**Company**") to convene the annual general meeting (the "**AGM**") of the Company on Friday, 29 September 2017 at 3:00 p.m. at 26th Floor, 238 Des Voeux Road Central, Hong Kong.

Details of the proposed resolutions to be considered at the AGM were stated in the AGM Notice. Unless otherwise defined, terms defined herein shall have the same meanings as those defined in the circular of the Company dated 31 August 2017. Apart from the amendments stated below, all the information contained in the AGM Notice remains valid and effective.

Due to the matters as set out in the supplemental circular of the Company dated 14 September 2017, this **SUPPLEMENTAL NOTICE IS HEREBY GIVEN** that the AGM 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 purpose of considering and, if thought fit, passing the following resolution of the Company (with or without modifications), in addition to the resolutions set out in the AGM Notice.

ORDINARY RESOLUTION

2(g) "To re-elect Mr. Zhi Hua as an executive Director."

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

Hong Kong, 14 September 2017

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

Head office and principal place of business in Hong Kong:
25th & 26th Floor
238 Des Voeux Road Central
Hong Kong

Notes:

1. A second form of proxy (the "**Second Proxy Form**") is enclosed with the supplemental circular of the Company dated 14 September 2017 (the "**Supplemental Circular**"). Please refer to pages 2 to 4 of the Supplemental Circular for special arrangements about completion and submission of the Second Proxy Form.

2. Please refer to the AGM Notice for details of the other ordinary resolutions to be passed at the AGM and eligibility for attending and voting at the AGM, proxy and other relevant matters.

3. As at the date of this supplemental notice, the board of Directors comprises Mr. Zhi Hua, 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.