

HIGHLIGHT CHINA IOT INTERNATIONAL LIMITED

高銳中國物聯網國際有限公司

Rooms 4114-4119, 41st Floor, Sun Hung Kai Centre, No. 30 Harbour Road, Wanchai, Hong Kong

Tel : (852) 3950 6800 Fax : (852) 3429 0037

22 August 2017

To the Independent Shareholders

**COMPOSITE OFFER AND RESPONSE DOCUMENT RELATING TO
THE UNCONDITIONAL MANDATORY CASH OFFER BY
KINGSTON SECURITIES LIMITED FOR AND ON BEHALF OF ROSY LANE
INTERNATIONAL LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN
HIGHLIGHT CHINA IOT INTERNATIONAL LIMITED (OTHER THAN
THOSE SHARES ALREADY OWNED OR TO BE ACQUIRED BY THE
OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to the composite offer and response document dated 22 August 2017 jointly issued by the Offeror and the Company of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context requires otherwise.

We have been appointed to form the Independent Board Committee to consider the terms of the Offer and to advise you as to whether, in our opinion, the Offer is fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptances thereof.

Ample Capital has been appointed as the independent financial adviser to advise us in respect of the terms of the Offer and as to acceptance thereof. Details of its advice and the principal factors and reasons taken into account by it in arriving at its advice and recommendation are set out in the "LETTER FROM THE INDEPENDENT FINANCIAL ADVISER" on pages 28 to 46 of this Composite Document.

We also wish to draw your attention to the "LETTER FROM THE BOARD", the "LETTER FROM KINGSTON SECURITIES" and the additional information set out in the appendices to this Composite Document.

RECOMMENDATION

Having considered the terms of the Offer and the letter of advice and recommendations from Ample Capital, we consider that the Offer is fair and reasonable so far as the Independent Shareholders are concerned, and therefore we recommend the Independent Shareholders to accept the Offer. The Independent Shareholders are recommended to read the full text of the "LETTER FROM THE INDEPENDENT FINANCIAL ADVISER" set out in this Composite Document.

However, if the net proceeds from the sale of the Shares in the open market after deducting all transaction cost would exceed the net amount receivable under the Offer, the Shareholders should consider selling their Shares in the market, rather than accepting the Offer.

Notwithstanding our recommendation, the Shareholders should consider carefully the terms and conditions of the Offer.

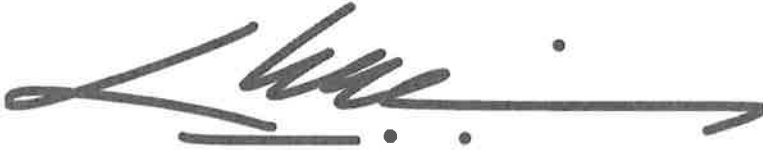
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Yours faithfully,
For and on behalf of the
Independent Board Committee



Mr. Lau Chi Kit
Independent non-executive Director

Mr. Ma Ming
Independent non-executive Director

Mr. Li Hui
Independent non-executive Director

Mr. Chan Kin
Non-executive Director

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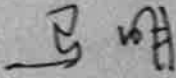
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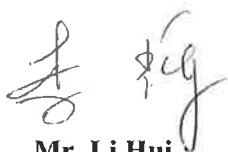
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Independent non-executive Director

A handwritten signature in black ink, appearing to be 'Chan Kin', with a long horizontal line extending to the right.

Mr. Li Hui
Independent non-executive Director

Mr. Chan Kin
Non-executive Director