
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 your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Advanced Card Systems Holdings Limited**, you should at once hand this circular together with the enclosed proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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Advanced Card Systems Holdings Limited

龍傑智能卡控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2086)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES
AND
RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Advanced Card Systems Holdings Limited to be held at Room 631, 6/F, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Friday, 20 May 2016 at 2:30 p.m. is set out on pages 11 to 15 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, 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 holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting at the meeting, or any adjourned meeting, should they so wish.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Room 631, 6/F, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Friday, 20 May 2016 at 2:30 p.m.
“Articles of Association”	the amended and restated memorandum and articles of association of the Company with effective on 29 September 2015
“Board”	the board of Directors
“Company”	Advanced Card Systems Holdings Limited, an exempted company incorporated in the Cayman Islands on 13 April 2000 with limited liability under the Companies Law (Revised) of the Cayman Islands, the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares during the period as set out in the proposed ordinary resolution as referred to in ordinary resolution no. 5, Shares up to a maximum of 20% of the total number of issued Shares as at the date of passing of the resolution approving the Issue Mandate
“Latest Practicable Date”	31 March 2016, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing the Repurchase Mandate

DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



Advanced Card Systems Holdings Limited

龍傑智能卡控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2086)

Executive Directors:

Ms. Tsui Kam Ling (*Chairman*)
Mr. Wong Chi Ho (*Co-Chief Executive Officer*)
Mr. Wong Chi Kit (*Co-Chief Executive Officer*)
Mr. Tan Keng Boon

Independent Non-executive Directors:

Ms. Kaung Cheng Xi Dawn
Mr. Lo Kar Chun, *SBS, JP*
Mr. Yim Kai Pung

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

*Head Office and Principal Place
of Business:*

Units 2010–2013, 20th Floor
Chevalier Commercial Centre
8 Wang Hoi Road
Kowloon Bay
Hong Kong

7 April 2016

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES
AND
RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposals for the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the re-election of the retiring Directors, and to seek your approval at the AGM in connection with, inter alia, such matters.

* *For identification purpose only*

LETTER FROM THE BOARD

ISSUE MANDATE

At the annual general meeting held on 29 April 2015, the Shareholders passed an ordinary resolution to give a general mandate to the Directors to allot, issue and deal with Shares. Such general mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such general mandate at the AGM.

As at the Latest Practicable Date, the number of issued Shares is 284,057,682 Shares. Assuming that there is no change in the issued Shares between the period from the Latest Practicable Date and the date of passing the resolution approving the Issue Mandate, the maximum number of Shares which may be issued pursuant to the Issue Mandate as at the date of passing the resolution approving the Issue Mandate will be 56,811,536 Shares representing not more than 20% of the total number of issued Shares.

Ordinary resolutions will be proposed at the AGM to grant to the Directors the Issue Mandate, and authorize the extension of the Issue Mandate, details of which are set out in ordinary resolutions numbers 5 and 7 respectively in the notice of AGM.

REPURCHASE MANDATE

Also at the annual general meeting held on 29 April 2015, the Shareholders passed an ordinary resolution to give a general mandate to the Directors to exercise the powers of the Company to repurchase its own Shares. Such general mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew the Repurchase Mandate at the AGM.

As at the Latest Practicable Date, the number of issued Shares is 284,057,682 Shares. Assuming that there is no change in the issued Shares between the period from the Latest Practicable Date and the date of passing the Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate as at the date of passing the Repurchase Mandate will be 28,405,768 Shares.

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution number 6 in the notice of AGM. The Shares which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10% of total number of issued Shares as at the date of passing of the Repurchase Mandate.

An explanatory statement as required under the Listing Rules, giving certain information regarding the Repurchase Mandate, is set out in the Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of seven Directors, Ms. Tsui Kam Ling, Mr. Wong Chi Ho, Mr. Wong Chi Kit, Mr. Tan Keng Boon, Ms. Kaung Cheng Xi Dawn, Mr. Lo Kar Chun, *SBS, JP* and Mr. Yim Kai Pung.

In accordance with article 16.18 of the Articles of Association, Ms. TSUI Kam Ling, Mr. LO Kar Chun, *SBS, JP* and Mr. Tan Keng Boon will retire by rotation at the AGM. Ms. TSUI Kam Ling and Mr. LO Kar Chun, *SBS, JP* will, being eligible, offer themselves for re-election. Mr. Tan Keng Boon, who does not offer himself for re-election due to his wish to devote more time to stay with his family, will retire at the AGM.

LETTER FROM THE BOARD

Brief biographical details of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

The notice convening the AGM, which contains, inter alia, ordinary resolutions to approve the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the re-election of the retiring Directors is set out on pages 11 to 15 of this circular.

VOTING BY WAY OF POLL

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 of the meeting, 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. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed herein. Whether or not you intend to attend the AGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, 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 or any adjournment thereof. Completion and return of the proxy form will not preclude Shareholders from attending and voting at the AGM, or any adjourned meeting, should they so wish.

RECOMMENDATION

The Directors believe that the granting of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the re-election of the retiring Directors are in the best interests of the Company as well as to the Shareholders. Accordingly, the Directors recommend that all the Shareholders should vote in favour of all the relevant resolutions relating to aforesaid matters.

By order of the Board
Advanced Card Systems Holdings Limited
Tsui Kam Ling
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration.

1. EXERCISE OF THE REPURCHASE MANDATE

Exercise in full of the Repurchase Mandate, on the basis of 284,057,682 Shares in issue at the Latest Practicable Date, could result in up to 28,405,768 Shares being repurchased by the Company during the period up to (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 Articles of Association or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

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

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws of the Cayman Islands. The law of the Cayman Islands provides that the amount to be repaid in connection with a share repurchase may be paid from the profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase or out of capital, if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. UNDERTAKING

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2015 annual report of the Company) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the memorandum and articles of association of the Company, the laws of Hong Kong and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

5. EFFECT OF TAKEOVERS CODE AND PUBLIC FLOAT

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, 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(s) obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Ms. Tsui Kam Ling was beneficially interested in 113,612,122 Shares, representing approximately 40.00% of the total number of issued Shares. Based on such shareholdings and in the event that the Directors exercised in full the power to repurchase Shares pursuant to the Repurchase Mandate, the shareholding of Ms. Tsui Kam Ling would be increased to approximately 44.44% of the total number of issued Shares. Accordingly, Ms. Tsui Kam Ling would be required under Rule 26 of the Takeovers Code to make a mandatory offer in respect of all the issued Shares by reason of such increase. However, the Directors will not repurchase Shares to such an extent as would result in takeover obligations. Save as aforesaid, the Directors are not aware of any consequence which may arise under the Takeovers Code as a consequence of any repurchases made under the Repurchase Mandate.

The Directors will use their best endeavours to ensure that the Repurchase Mandate will not be exercised to the extent that the number of Shares held by the public being reduced to less than 25% as required under the Listing Rules.

6. SHARE PURCHASED MADE BY THE COMPANY

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

7. SHARE PRICES

The table below is a summary of the highest and lowest traded prices in each of the previous twelve months prior to the Latest Practicable Date.

	Highest Traded Price <i>HK\$</i>	Lowest Traded Price <i>HK\$</i>
2015		
March	1.47	1.04
April	1.69	1.28
May	1.73	1.22
June	1.55	1.23
July	1.31	0.85
August	1.00	0.62
September	1.20	0.71
October	1.13	0.95
November	1.64	0.99
December	1.91	1.41
2016		
January	2.20	1.47
February	1.69	1.35
March (up to the Latest Practicable Date)	2.08	1.53

The following are the particulars of the Directors proposed to be re-elected at the AGM:

Ms. Tsui Kam Ling

Ms. Tsui Kam Ling, aged 63, is an executive Director, the Chairman of the Board and the Chairman of the Nomination Committee. She joined the Group in September 1998 and was mainly responsible for supervising the sourcing of raw materials, logistics, human resources and finance. She was appointed as an executive Director on 23 March 2005, a member of the Nomination Committee on 30 March 2012 and the Chairman of the Board on 24 March 2015. She is also the director of several subsidiaries of the Group. Prior to joining the Group, Ms. Tsui was a director of Advanced Electronics Limited, a distributor of semiconductor components until 1997 when it was acquired by Future Electronics Holdings Inc. She then worked as the Administration Manager of Future Advanced Electronics Limited until September 1998. Ms. Tsui had a teaching career from 1975 to 1983. Ms. Tsui graduated from The Chinese University of Hong Kong with a Bachelor of Arts degree in October 1975. She is the mother of Mr. Wong Chi Ho and Mr. Wong Chi Kit, both are executive Directors. She is also a substantial Shareholder of the Company. She has not held any directorships in any listed public companies in the last three years. Save as disclosed above, she does not hold any positions with the Company or other members of the Company's group.

Save as disclosed above, Ms. Tsui does not have any other relationships with any Directors, senior management, management Shareholders, substantial Shareholders, or controlling Shareholders.

Ms. Tsui has entered into a service agreement with the Company for a term of two years until 26 October 2016, subject to her retirement and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Under the agreement, either party may terminate the agreement at any time by giving to the other not less than three months' prior written notice. Her monthly salary is determined with reference to market rate. Ms. Tsui is entitled to a discretionary management bonus from the Company. The remuneration, including salary, discretionary bonus and retirement scheme contribution, payable to Ms. Tsui during the year ended 31 December 2015 amounted to approximately HK\$1,098,000.

As at the Latest Practicable Date, Ms. Tsui is interested in 113,612,122 Shares within the meaning of Part XV of the SFO which represents approximately 40.00% of the total number of issued Shares. Save as disclosed above, Ms. Tsui does not have any other interests in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Tsui has confirmed that there is no other information required to be brought to the attention of the Shareholders and the Company or to be disclosed pursuant to Rule 13.51(2) of the Listing Rules in relation to her re-election as Director.

Mr. Lo Kar Chun, SBS, JP

Mr. Lo Kar Chun, aged 64, was appointed as an independent non-executive Director on 17 March 2014. He is also a member of the Audit Committee and the Nomination Committee, and the Chairman of the Remuneration Committee. Mr. Lo Kar Chun started his career as an Administrative Officer in the Hong Kong Government in 1974, occupying various senior positions in the Hong Kong Government during his 13 years of public service, before joining the private

sector in 1987. He was the President and Chief Executive Officer in Synnex Technology International (HK) Ltd from December 1987 to December 2013 and Synnex Distributions (China) Ltd since its inception until December 2013. Mr. Lo is currently the Chairman of the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the Hong Kong Special Administration Region. He is also a member of the Exchange Fund Advisory Committee in Hong Kong. Mr. Lo obtained a Bachelor of Science General (First Class Honour) degree from The University of Hong Kong in November 1973. He has not held any directorships in any listed public companies in the last three years. Save as disclosed above, he does not hold any positions with the Company or other members of the Company's group.

Mr. Lo does not have any other relationships with any Directors, senior management, management Shareholders, substantial Shareholders, or controlling Shareholders.

As at the Latest Practicable Date, Mr. Lo is interested in 400,000 Shares within the meaning of Part XV of the SFO which represents approximately 0.14% of the total number of issued Shares. Save as disclosed above, Mr. Lo does not have any other interests in Shares within the meaning of Part XV of the SFO.

Mr. Lo has entered into an appointment letter with the Company for a term of two years until 16 March 2018. Mr. Lo is subject to retirement and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. According to the appointment letter, the amount of director's emoluments is HK\$10,000 per month, which is determined with reference to market rate. Mr. Lo is not entitled to any bonus payment from the Company.

Save as disclosed above, Mr. Lo has confirmed that there is no other information required to be brought to the attention of the Shareholders and the Company or to be disclosed pursuant to Rule 13.51(2) of the Listing Rules in relation to his re-election as Director.

NOTICE OF ANNUAL GENERAL MEETING



Advanced Card Systems Holdings Limited

龍傑智能卡控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2086)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “Meeting”) of Advanced Card Systems Holdings Limited (the “Company”) will be held at Room 631, 6/F, Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong, on Friday, 20 May 2016 at 2:30 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements, the report of the directors and the independent auditor’s report for the year ended 31 December 2015.
2. To declare a final dividend of HK1.0 cent per share for the year ended 31 December 2015.
3. (a) To re-elect the following retiring directors of the Company:
 - (i) Ms. TSUI Kam Ling
 - (ii) Mr. LO Kar Chun, *SBS, JP*
- (b) To authorise the board of directors to fix the remuneration of directors.
4. To re-appoint KPMG as auditors and to authorise the board of directors to fix their remuneration and, in this connection, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** KPMG, who have been appointed by the board of directors of the Company as auditors of the Company to fill the casual vacancy occasioned by the resignation of BDO Limited, be and are hereby re-appointed auditors of the Company to hold office until the conclusion of the next annual general meeting and that the board of directors of the Company be and is hereby authorised to fix their remuneration.”

* *For identification only*

NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with any unissued shares of HK\$0.10 each in the capital of the Company (the “Shares”) and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the exercise of such power after the end of the Relevant Period (as hereinafter defined);
- (c) the total number of Shares allotted or issued or conditionally or unconditionally agreed to be allotted or issued (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time; or (iii) an issue of shares upon the exercise of options which may be granted under any option scheme or similar arrangement for the time being adopted or to adopt for the grant or issue to officers, employees and/or directors of the Company and/or any of its subsidiaries of shares or rights to acquire Shares; or (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or (v) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20 per cent. of the total number of Shares in issue as at the date of passing of this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of this resolution) and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purpose of this Resolution:

“Relevant Period” means the period from 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 articles of association of the Company or any applicable laws to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the directors of the Company by this Resolution; and

“Rights Issue” means an offer of Shares or issue of options, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the directors of the Company to holders of Shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate, such other securities), subject in all cases to such exclusions or other arrangements as the directors of the Company 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 any recognised regulatory body or any stock exchange in, any territory applicable to the Company.”

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase securities of the Company on the Stock Exchange or any other stock exchange of which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange (as defined in ordinary resolution no. 5 above) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of the Shares repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10 per cent. of the total number of Shares in issue as at the date of passing this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger

NOTICE OF ANNUAL GENERAL MEETING

or smaller number of Shares after the passing of this resolution) and the authority granted pursuant to paragraph (a) above shall be limited accordingly; and

(c) for the purposes of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the directors of the Company by this Resolution.”

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** subject to the passing of the Resolutions nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with any unissued Shares pursuant to Resolution no. 5 set out in the notice convening this meeting be and is hereby extended by the addition to the total number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the total number of Shares repurchased by the Company under the authority granted pursuant to Resolution no. 6 set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of total number of Shares in issue as at the date of passing of the said Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of this resolution).”

By order of the Board
Advanced Card Systems Holdings Limited
Tsui Kam Ling
Chairman

Hong Kong, 7 April 2016

NOTICE OF ANNUAL GENERAL MEETING

Principal place of business in Hong Kong:

Units 2010–2013, 20th Floor
Chevalier Commercial Centre
8 Wang Hoi Road
Kowloon Bay
Hong Kong

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Notes:

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a shareholder of the Company.
2. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or the adjourned meeting (as the case may be).
3. Completion and return of the proxy form will not preclude shareholders of the Company from attending and voting in person at the Meeting, or any adjourned meeting, should they so wish.
4. The register of members will be closed from Monday, 16 May 2016 to Friday, 20 May 2016, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attendance of annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 13 May 2016.
5. The register of members will be closed from Friday, 27 May 2016 to Monday, 30 May 2016, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 26 May 2016.
6. With regard to Resolution no. 3 in this notice, the board of directors of the Company proposes that the retiring directors of the Company, namely Ms. Tsui Kam Ling and Mr. Lo Kar Chun, *SBS, JP* be re-elected as directors of the Company. Particulars of the said retiring directors of the Company proposed for re-election are set out in Appendix II to the circular to the shareholders of the Company dated 7 April 2016.
7. An explanatory statement containing further details regarding Resolution no. 6 as required by the Stock Exchange of the Stock Exchange is set out in Appendix I to the circular to the shareholders of the Company dated 7 April 2016.
8. Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders at the Meeting will be taken by poll except where the chairman of the Meeting, 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. The Company will announce the results of the poll in the matter prescribed under Rule 13.39(5) of the Listing Rules.