

1 March 2017

The Board of Directors

Advanced Card Systems Holdings Limited Units 2010–2013, 20th Floor Chevalier Commercial Centre 8 Wang Hoi Road Kowloon Bay, Hong Kong

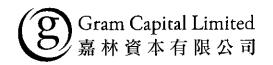
Dear Sirs,

Reference is made to the Composite Document dated 1 March 2017 jointly issued by the Offeror and the Company. Capitalised terms used in this letter shall have the same respective meanings as defined in the Composite Document unless the context otherwise required.

We refer to the below statements made by the Company under the Composite Document (the "Profit Estimates"):

- (a) the Group's revenue for the year ended 31 December 2016 ("FY2016") decreased as compared to the year ended 31 December 2015 ("FY2015"). As a result, the Group's corresponding cost of sales and gross profit for FY2016 also decreased as compared to FY2015;
- (b) there was a payment of benefit in FY2015 under the life insurance policy for the late Mr. Wong Yiu Chu who was a non-executive Director and the Honorary Chairman of the Board prior to his passing away. In the absence of the aforesaid payment of benefit in FY2016, the other income of the Group for FY2016 decreased as compared to FY2015; and
- (c) the Group recorded loss attributable to the equity shareholders of the Company for FY2016 as compared to profit attributable to the equity shareholders of the Company for FY2015, which was mainly due to the changes as stated under points (i) to (iv) under the section headed "5. MATERIAL CHANGE" in Appendix II to the Composite Document.

The Profit Estimates constitute profit forecast under Rule 10 of the Takeovers Code and must be reported on by the financial adviser and the auditors or consultant accountants. This report is issued in compliance with the requirements under Rule 10.4 and Note 1(c) to Rules 10.1 and 10.2 of the Takeovers Code.



We have reviewed the Profit Estimates and other relevant information and documents (in particular, the unaudited consolidated management account of the Group for the FY2016 with comparative figures for FY2015 (the "Mgt Account & Comparative Figures")) which you as the Directors are solely responsible for and discussed with you and the senior management of the Company the information and documents (in particular, the Mgt Account & Comparative Figures) provided by you which formed the key bases (i.e. the Mgt Account & Comparative Figures) upon which the Profit Estimates have been made. In respect of the accounting policies and calculations concerned, upon which the Profit Estimates have been made, we have relied upon the report as contained in Appendix III to the Composite Document addressed to the Board from KPMG, being the auditor of the Company. KPMG is of the opinion that so far as the accounting policies and calculations are concerned, the Profit Estimates have been properly compiled with in accordance with the bases made by the Directors and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the annual report of the Company for the year ended 31 December 2015.

On the basis of the foregoing, we are of the opinion that the Profit Estimates, for which the Directors are solely responsible, has been made with due care and consideration.

We hereby give and have not withdrawn our consent to the issue of the Composite Document with the inclusion therein of this report.

Yours faithfully, For and on behalf of Gram Capital Limited

Graham Lam

Managing Director