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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)

ANNOUNCEMENT

**(1) RESIGNATION OF EXECUTIVE DIRECTORS
AND INDEPENDENT NON-EXECUTIVE DIRECTOR,
(2) APPOINTMENT OF EXECUTIVE DIRECTORS
AND
(3) CHANGES OF BOARD COMMITTEES
AND AUTHORIZED REPRESENTATIVE**

CHANGES OF DIRECTORS

The Board announces that with effect from 31 March 2017:

1. Ms. Tsui resigned as the chairman of the Board, an executive Director and a member and the chairman of the Nomination Committee;
2. Mr. Wong resigned as an executive Director, a member of the Remuneration Committee and an authorized representative of the Company under Rule 3.05 of the Listing Rules. Mr. Wong remains to be the Co-Chief Executive Officer of the Group;
3. Mr. Cui was appointed as an executive Director;
4. Mr. Peng was appointed as an executive Director and the chairman of the Board; and
5. Mr. Wang was appointed as an executive Director.

The Board further announces that Mr. Lo tendered his resignation as an independent non-executive Director, a member and the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee with effect from 1 April 2017.

NON-COMPLIANCE WITH RULES 3.10(1) AND 3.21 OF THE LISTING RULES

Following the change of Directors, the Board comprises four executive Directors and two independent non-executive Directors. As a result, the number of independent non-executive Directors has fallen below the minimum number required under Rules 3.10(1) of the Listing Rules. In addition, the Company is not in compliance with Rule 3.21 of the Listing Rules with regard to the composition of the Audit Committee.

The Company considers that the failure of meeting the abovementioned requirements of the Listing Rules is temporary in nature and will endeavour to ensure that the vacancies are filled as soon as practicable. Pursuant to Rules 3.11 and 3.23 of the Listing Rules, the Company will make the relevant appointments within three (3) months from 1 April 2017 to meet the requirements set out in Rules 3.10(1) and 3.21 of the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate.

SUSPENSION OF TRADING IN SHARES

Trading in the Shares has been suspended with effect from 9:00 a.m. on 23 March 2017 at the request of the Company pending the restoration of the required minimum public float of 25%. Further announcement(s) will be made by the Company regarding restoration of public float and resumption of trading in the Shares as soon as possible.

RESIGNATION OF DIRECTORS

The board of directors (the “**Board**”) of Advanced Card Systems Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that with effect from 31 March 2017:

1. Ms. Tsui Kam Ling (“**Ms. Tsui**”) resigned as the chairman of the Board, an executive director of the Company (the “**Director**”), and a member and the chairman of the nomination committee of the Company (the “**Nomination Committee**”); and
2. Mr. Wong Chi Kit (“**Mr. Wong**”) resigned as an executive Director, a member of the remuneration committee of the Company (the “**Remuneration Committee**”), and an authorized representative of the Company under Rule 3.05 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Mr. Wong remains to be the Co-Chief Executive Officer of the Group.

The Board further announces that Mr. Lo Kar Chun, *SBS, JP* (“**Mr. Lo**”) tendered his resignation as an independent non-executive Director, a member and the chairman of the Remuneration Committee and a member of each of the audit committee of the Company (the “**Audit Committee**”) and the Nomination Committee with effect from 1 April 2017.

The resignation of Ms. Tsui and Mr. Wong was due to the change in control of the Company, and Mr. Lo's resignation was due to his other personal commitments which require more of his time and dedication. Each of Ms. Tsui, Mr. Wong and Mr. Lo has confirmed that she/he has no disagreement with the Board and there is nothing relating to her/his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its gratitude and appreciation to Ms. Tsui, Mr. Wong and Mr. Lo for their valuable contribution to the Company during their respective term of office.

APPOINTMENT OF DIRECTORS

The Board received a request from HNA EcoTech Pioneer Acquisition to nominate Mr. Cui Yijun (崔軼雋) (“**Mr. Cui**”), Mr. Peng Fang (彭放) (“**Mr. Peng**”) and Mr. Wang Hao (王浩) (“**Mr. Wang**”) as executive Directors. Taking into account such request, the Board announces that with effect from 31 March 2017:

1. Mr. Cui was appointed as an executive Director;
2. Mr. Peng was appointed as an executive Director and the chairman of the Board; and
3. Mr. Wang was appointed as an executive Director.

Mr. Cui, Mr. Peng and Mr. Wang will hold office until the next following annual general meeting of the Company and will then be eligible for re-election in accordance with the articles of association of the Company.

The biographical details and other information of Mr. Cui, Mr. Peng and Mr. Wang are set out below:

Mr. Cui

Mr. Cui Yijun (崔軼雋), aged 35, is an executive Director.

Mr. Cui has extensive experiences in financial management, capital operation as well as international finance. He started his career with HNA Group Co., Ltd.* (海航集團有限公司) (“**HNA Group**”) in 2004 and served various management positions in HNA Group's subsidiaries including chief financial officer of HNA Logistics Group Co., Ltd.* (海航物流集團有限公司), chief financial officer, financial controller and deputy financial controller of HNA Capital Group Co. Ltd.* (海航資本集團有限公司), general manager of finance department of Hainan Airlines Company Limited (海南航空股份有限公司) (a Shanghai A-share listed company with stock code: 600221), deputy general manager of plan finance department (計劃財務部) and director of cash flow management centre (現金流管理中心) of HNA Group, project director of aircraft acquisition department (飛機引進部) of Hainan HNA Aeronautics Import & Export Limited Company* (海南海航航空進出口有限公司), the aircraft import business assistant of purchasing administration department (採購管理部飛機引進商務助理) of HNA Group, and business staff of cabin and local service department (客艙與地面服務部商務員) of Hainan Airlines Company Limited (海南航空股份有限公司) (a Shanghai A-share listed company with stock code: 600221). Mr. Cui has been the financial controller of HNA Tech & Logistics Group Co., Ltd.* (海航科技物流集團有限公司) (the “**HNA Tech & Logistics Group**”) since December 2016.

Mr. Cui obtained a bachelor's degree in English from Xi'an Jiaotong University in China in 2004. He is currently enrolled in Executive Master of Business Administration in Guanghua School of Management of Peking University.

Mr. Cui has entered into a service contract with the Company pursuant to which he has agreed to act as an executive Director for a term of two years commencing from 31 March 2017 unless terminated by three month's written notice or in certain circumstances as in accordance with the terms of the service contract. Pursuant to the service contract, Mr. Cui will not receive any basic remuneration, but he may receive other benefits as may be determined by, and at the discretion of, the Board from time to time.

As at the date of this announcement, save as otherwise disclosed, Mr. Cui (i) does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) does not have any interests in the shares of the Company (the "Shares") within the meaning of Part XV of the Securities and Futures Ordinance; and (iii) does not have any directorship in other listed public companies in the past three years.

Saved as disclosed above, there is no other information to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51 (2) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with Mr. Cui's appointment.

Mr. Peng

Mr. Peng Fang (彭放), aged 32, is an executive Director and the chairman of the Board.

Mr. Peng joined HNA Cloud Technology Co., Ltd. (海航雲科技有限公司) and served as a chief investment officer from November 2015 to March 2016. He then served various positions in HNA EcoTech Group Co., Ltd.* (海航生態科技集團有限公司) including investment vice-president from March 2016 to November 2016, investment president from November 2016 to December 2016 and chief operating officer since December 2016. He is currently a director of HNA EcoTech Pioneer Acquisition, the controlling shareholder of the Company.

Mr. Peng obtained a master degree in Economics from Peking University in July 2008.

Mr. Peng has entered into a service contract with the Company pursuant to which he has agreed to act as an executive Director for a term of two years commencing from 31 March 2017 unless terminated by three month's written notice or in certain circumstances as in accordance with the terms of the service contract. Pursuant to the service contract, Mr. Peng will receive a basic remuneration of HK\$1,680,000 per annum and such other benefits as may be determined by, and at the discretion of, the Board from time to time.

As at the date of this announcement, save as otherwise disclosed, Mr. Peng (i) does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) does not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance; and (iii) does not have any directorship in other listed public companies in the past three years.

Saved as disclosed above, there is no other information to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51 (2) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with Mr. Peng's appointment.

Mr. Wang

Mr. Wang Hao (王浩), aged 39, is an executive Director.

Mr. Wang has over 16 years of working experience in financial and corporate management, and has extensive knowledge and experience in corporate management. He has been a non-executive director of HNA Holding Group Co. Limited (海航實業集團股份有限公司) since February 2016. HNA Holding Group Co. Limited is a company listed on the Main Board of the Stock Exchange with stock code 521. He was appointed as an executive director, the chief executive officer of and the chairman of the board of directors of HNA Holding Group Co. Limited in June 2015. He stepped down as the chairman of the board of directors and executive director of HNA Holding Group Co. Limited in July 2015 and February 2016, respectively, and was re-designated as a non-executive director of HNA Holding Group Co. Limited and resigned as the Chief Executive Officer of HNA Holding Group Co. Limited in February 2016.

Mr. Wang is currently the chairman of the board of directors of Hong Kong International Aviation Leasing Co., Ltd. (香港國際航空租賃有限公司) and the investment president of HNA Tech & Logistics Group.

Mr. Wang has also served various positions in the group of HNA Group since 1999, including the business office manager of procurement department (採購部商務室經理) of Hainan Airlines Company Limited (海南航空股份有限公司) (a Shanghai A-share listed company with stock code: 600221), the general manager of plan finance department of HNA Group, the financial controller of HNA Airlines Holdings Co., Ltd.* (海航航空控股有限公司), the vice chief executive officer of SeaCo Ltd, the financial controller of HNA Capital Group Co., Ltd.* (海航資本集團有限公司) and the vice-chairman and chief executive officer of HNA Group (International) Company Limited (海航集團(國際)有限公司). He was also the chief executive officer of Bohai Capital Holding Co., Ltd* (渤海金控投資股份有限公司) (a Shenzhen A-share listed company with stock code: 000415) from May 2013 to February 2015.

Mr. Wang obtained a master degree in business administration from City University of Seattle in 2007.

Mr. Wang has entered into a service contract with the Company pursuant to which he has agreed to act as an executive Director for a term of two years commencing from 31 March 2017 unless terminated by three month's written notice or in certain circumstances as in accordance with the terms of the service contract. Pursuant to the service contract, Mr. Wang will not receive any basic remuneration, but he may receive other benefits as may be determined by, and at the discretion of, the Board from time to time.

As at the date of this announcement, save as otherwise disclosed, Mr. Wang (i) does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (ii) does not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance; and (iii) does not have any directorship in other listed public companies in the past three years.

Saved as disclosed above, there is no other information to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51 (2) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with Mr. Wang's appointment.

The Board would like to would like to express its warmest welcome to Mr. Cui, Mr. Peng and Mr. Wang in joining the Group.

CHANGES OF BOARD COMMITTEES

Following the resignation of Ms. Tsui, Mr. Wong and Mr. Lo:

1. Mr. Wong Chi Ho was appointed as a member of the Remuneration Committee in place of Mr. Wong with effect from 31 March 2017;
2. Ms. Kaung Cheng Xi Dawn was appointed as a member and the chairman of the Remuneration Committee in place of Mr. Lo with effect from 1 April 2017; and
3. Mr. Yim Kai Pung was appointed as the chairman of the Nomination Committee in place of Ms. Tsui with effect from 31 March 2017.

Upon the above changes taking effect, the composition of the Audit Committee, the Remuneration Committee and the Nomination Committee are as follows:

Audit Committee	Mr. Yim Kai Pung Ms. Kaung Cheng Xi Dawn	(Chairman)
Remuneration Committee	Ms. Kaung Cheng Xi Dawn Mr. Wong Chi Ho Mr. Yim Kai Pung	(Chairman)
Nomination Committee	Mr. Yim Kai Pung Ms. Kaung Cheng Xi Dawn Mr. Wong Chi Ho	(Chairman)

APPOINTMENT OF AUTHORIZED REPRESENTATIVE

The Board announces that with effect from 31 March 2017, Ms. Lee Ka Man (“**Ms. Lee**”), the company secretary of the Company, was appointed as an authorized representative of the Company under Rule 3.05 of the Listing Rules in place of Mr. Wong and Ms. Lai Yuen Yee was appointed as an alternate authorized representative to Ms. Lee.

NON-COMPLIANCE WITH RULES 3.10(1) AND 3.21 OF THE LISTING RULES

Following the change of Directors as set out above, the Board comprises four executive Directors and two independent non-executive Directors. As a result, the number of independent non-executive Directors has fallen below the minimum number required under Rules 3.10(1) of the Listing Rules. In addition, the Company is not in compliance with Rule 3.21 of the Listing Rules with regard to the composition of the Audit Committee.

The Company considers that the failure of meeting the abovementioned requirements of the Listing Rules is temporary in nature and will endeavour to ensure that the vacancies are filled as soon as practicable. Pursuant to Rules 3.11 and 3.23 of the Listing Rules, the Company will make the relevant appointments within three (3) months from 1 April 2017 to meet the requirements set out in Rules 3.10(1) and 3.21 of the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate.

SUSPENSION OF TRADING IN SHARES

Trading in the Shares has been suspended with effect from 9:00 a.m. on 23 March 2017 at the request of the Company pending the restoration of the required minimum public float of 25%. Further announcement(s) will be made by the Company regarding restoration of public float and resumption of trading in the Shares as soon as possible.

By order of the board of directors of
Advanced Card Systems Holdings Limited
Peng Fang
Chairman and Executive Director

Hong Kong, 31 March 2017

As at the date of this announcement, the board of directors of the Company comprises four executive Directors, namely Mr. Peng Fang, Mr. Cui Yijun, Mr. Wang Hao and Mr. Wong Chi Ho, and three independent non-executive Directors, namely Ms. Kaung Cheng Xi Dawn, Mr. Lo Kar Chun, SBS, JP and Mr. Yim Kai Pung.

* *For identification purpose only*