
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 form of proxy 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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This circular, for which the directors of Advanced Card Systems Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Advanced Card Systems Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



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: 8210)

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

A notice convening the annual general meeting of Advanced Card Systems Holdings Limited to be held at Units 2010-2013, 20th Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Hong Kong on Friday, 8 May 2009 at 3:00 p.m. is set out on page 13 to 17 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the form of proxy 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 Rooms 1806-1807, 18th 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 form of proxy will not preclude shareholders from attending and voting at the meeting, or any adjourned meeting, should they so wish.

This circular will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the day of its posting.

* For identification purpose only

31 March 2009

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
Issue Mandate	4
Repurchase Mandate	4
Re-election of retiring Directors	5
Declaration of Dividend and Closure of Register of Members	5
Annual General Meeting	5
Voting by way of poll	6
Action to be taken	6
Recommendation	6
Appendix I — Explanatory Statement	7
Appendix II — Details of retiring Directors proposed to be re-elected	11
Notice of Annual General Meeting	13

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 Units 2010-2013, 20th Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Hong Kong on Friday, 8 May 2009 at 3:00 p.m.
“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 GEM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate
“Latest Practicable Date”	25 March 2009, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication
“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving the Repurchase Mandate
“SFO”	Securities and Futures Ordinance
“Shareholder(s)”	registered holder(s) of Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited of Hong Kong

DEFINITIONS

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Repurchases
“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: 8210)

Executive Directors:

Mr. Wong Yiu Chu, Denny (*Chairman*)

Mr. Tan Keng Boon

Ms. Tsui Kam Ling, Alice

Independent Non-executive Directors:

Dr. Yip Chak Lam, Peter

Mr. Yu Man Woon

Mr. Wong Yick Man, Francis

Registered Office:

Ugland House

P.O. Box 309

George Town

Grand Cayman

Cayman Islands

British West Indies

*Head Office and Principal Place
of Business:*

Units 2010-2013, 20th Floor

Chevalier Commercial Centre

8 Wang Hoi Road

Kowloon Bay

Hong Kong

31 March 2009

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
DECLARATION OF DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS
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, the re-election of the retiring Directors, the declaration of dividend and closure of register of members, 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 28 April 2008, the Shareholders of the Company passed an ordinary resolution to give a general mandate to the Directors to allot, issue and deal with Shares. Such general mandates 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 issued share capital of the Company comprised 281,800,255 Shares. Assuming that there is no change in the issued share capital 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 56,360,051 Shares representing not more than 20% of the issued share capital of the Company.

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 4 and 6 respectively in the notice of AGM.

REPURCHASE MANDATE

Also at the annual general meeting held on 28 April 2008, 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 such general mandate at the AGM.

As at the Latest Practicable Date, the issued share capital of the Company comprised 281,800,255 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of passing the resolution approving the Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate as at the date of passing the resolution approving the Repurchase Mandate will be 28,180,025 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 5 in the notice of AGM. The Shares which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10% of the issued share capital of the Company as at the date of passing the resolution approving the Repurchase Mandate.

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

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of six Directors, Mr. Wong Yiu Chu, Denny, Mr. Tan Keng Boon, Ms. Tsui Kam Ling, Alice, Dr. Yip Chak Lam, Peter, Mr. Yu Man Woon and Mr. Wong Yick Man, Francis.

In accordance with Article 112 of the Company's articles of association, Mr. Tan Keng Boon and Mr. Yu Man Woon will retire at the AGM and, being eligible, offer themselves for re-election.

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

DECLARATION OF DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

As mentioned in the results announcement of the Company dated 20 March 2009, it was the intention of the Board to recommend a dividend out of the share premium account of the Company of HK0.8 cents per share in respect of the year ended 31 December 2008, totaling not less than HK\$2,254,402.04 (the "Dividend") which is subject to approval of Shareholders at the AGM and compliance with the Companies Law (2007 Revision) of the Cayman Islands (the "Companies Law").

Under Section 34(2) of the Companies Law, the share premium account may be applied by the company paying dividends to shareholders provided that no dividend may be paid to members out of the share premium account unless, immediately following the date on which the dividend is proposed to be paid, the company shall be able to pay its debts as they fall due in the ordinary course of business. The Board confirms that with respect to the Dividend, the Company meets the solvency test as laid down under the Companies Law and shall be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which the Dividend is proposed to be paid.

The register of members will be closed from Monday, 4 May 2009 to Friday, 8 May 2009, both days inclusive. In order to qualify for the Dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 30 April 2009.

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, the re-election of the retiring Directors, the declaration of dividend and closure of register of members is set out on page 13 to 17 of this circular.

LETTER FROM THE BOARD

VOTING BY WAY OF POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, all votes at the annual general meeting will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

ACTION TO BE TAKEN

A form of proxy for use at the AGM is enclosed herein. Whether or not you intend to attend the AGM, you are requested to complete the form of proxy 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 Rooms 1806-1807, 18th 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 form of proxy 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, the re-election of the retiring Directors, the declaration of dividend and closure of register of members 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
WONG Yiu Chu, Denny
Chairman

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

1. EXERCISE OF THE REPURCHASE MANDATE

Exercise in full of the Repurchase Mandate, on the basis of 281,800,255 Shares in issue at the Latest Practicable Date, could result in up to 28,180,025 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 of the Company or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the shareholders of the Company 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 GEM 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. GENERAL

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 2008 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 Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective associates (as defined in the GEM Listing Rules), have any present intention, if the Repurchase Mandate is exercised, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company or has undertaken not to do so.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the register of interests in shares and short positions maintained by the Company pursuant to Section 336 of the SFO showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital:

Name of shareholder	Number of Shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Mr. Wong Yiu Chu, Denny (<i>Note 1</i>)	122,882,522	43.61%	48.45%
Ms. Tsui Kam Ling, Alice (<i>Note 2</i>)	122,882,522	43.61%	48.45%
Proway Investment Limited (<i>Note 3</i>)	31,740,305	11.26%	12.51%
Morningside CyberVentures Holdings Limited (<i>Note 3</i>)	31,740,305	11.26%	12.51%
Verrall Enterprises Holdings Limited (<i>Note 3</i>)	31,740,305	11.26%	12.51%
Madam Chan Tan Ching Fen (<i>Note 3</i>)	31,740,305	11.26%	12.51%
Mr. Tijo Kay Loen (<i>Note 4</i>)	26,200,000	9.30%	10.33%
Warren Securities Limited	14,200,000	5.04%	5.60%

Notes:

- 80,768,000 Shares are held by Mr. Wong Yiu Chu, Denny personally and 42,114,522 Shares are held by his wife, Ms. Tsui Kam Ling, Alice personally. Mr. Wong Yiu Chu, Denny is taken to be interested in the Shares held by Ms. Tsui Kam Ling, Alice under the SFO.

2. 42,114,522 Shares are held by Ms. Tsui Kam Ling, Alice personally and 80,768,000 Shares are held by her husband, Mr. Wong Yiu Chu, Denny personally. Ms. Tsui Kam Ling, Alice is taken to be interested in the Shares held by Mr. Wong Yiu Chu, Denny under the SFO.
3. Proway Investment Limited is wholly owned by Morningside CyberVentures Holdings Limited. Morningside CyberVentures Holdings Limited is wholly owned by Verrall Enterprises Holdings Limited in its capacity as trustee of a family trust established by Madam Chan Tan Ching Fen. Madam Chan Tan Ching Fen is taken to be interested in the shares disclosed herein in her capacity as founder of the trust (as that term is defined in the SFO).
4. Of these Shares, 7,400,000 Shares are held by Mr. Tjio Kay Loen personally, 14,800,000 Shares, 1,000,000 Shares and 3,000,000 Shares are held by Warren Securities Limited (a company which is owned as to 30% by Mr. Tjio Kay Loen), Raffles Capital Pte Limited (a company which is owned as to 56% by Mr. Tjio Kay Loen) and Farina Limited (a company which is owned as to 60% by Mr. Tjio Kay Loen) respectively. Mr. Tjio Lay Loen is taken to be interested in these Shares under the SFO.

In the event that the Directors exercised in full the power to repurchase Shares under the Repurchase Mandate, the total interests of the above shareholders would be increased to approximately the respective percentages shown in the last column above. The Directors are aware that such increase would give rise to the obligations to make mandatory offer under Rule 26 of the Takeovers Code. However, the Directors will not repurchase Shares to such an extent as would result in takeover obligations. The Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

5. SHARE PURCHASED BY THE COMPANY

The Company has not purchased any of its Shares (whether on GEM or otherwise) in the six months preceding the Latest Practicable Date.

6. 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	Lowest Traded Price
	<i>HK\$</i>	<i>HK\$</i>
2008		
March	0.350	0.310
April	0.355	0.320
May	0.360	0.340
June	0.360	0.355
July	0.375	0.350
August	0.375	0.345
September	0.345	0.330
October	0.200	0.170
November	0.230	0.200
December	0.270	0.270
2009		
January*	—	—
February*	—	—
March (up to the Latest Practicable Date)	0.300	0.200

* No trading of shares during the month

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

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

Mr. Tan Keng Boon

Mr. Tan Keng Boon, aged 50, joined the Group in October 1999 as a full-time consultant of Advanced Card Systems Limited (“ACS”) and has been a full-time employee and the chief technical officer of ACS since May 2003 and an executive director since 25 October 2003. He is also the director of several subsidiaries of the Group. Mr. Tan is responsible for the implementation of a technical sales and marketing programme for existing and prospective customers of ACS. He has been involved actively in defining the product development road map of ACS and leading the engineering team in the development of new products. Previously, Mr. Tan worked for Gemplus Technologies Asia Pte Ltd. and De La Rue Systems Asia Pte Ltd., both of which were subsidiaries of established companies in the smart card industry. This past working experience of Mr. Tan has allowed him to develop a network of contacts with system solution providers as well as smart card and terminal vendors which are potential customers of the Group. Mr. Tan obtained a bachelor of engineering degree from the National University of Singapore in 1983. 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. Tan does not have any other relationships with any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. Mr. Tan is interested in 157,893 Shares of the Company within the meaning of Part XV of the SFO which represents approximately 0.06% of the total issued share capital of the Company. Save as disclosed above, Mr. Tan does not have any other interests in Shares of the Company within the meaning of Part XV of the SFO.

Mr. Tan has entered into a service agreement with the Company which has been renewed for further two years from 27 October 2006 to 26 October 2008 and then for further two years from 27 October 2008 to 26 October 2010, subject to his 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. His monthly salary is HK\$61,360 which is determined with reference to market rate. Mr. Tan is entitled to a discretionary management bonus from the Company.

Save as disclosed above, Mr. Tan has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to rules 17.50(2)(h) to (v) of the GEM Listing Rules.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Yu Man Woon

Mr. Yu Man Woon, aged 58, was appointed as an independent non-executive director on 30 September 2004. He is also the chairman of the audit committee and a member of the remuneration committee of the Company. He is currently the assistant general manager of a local bank. Mr. Yu obtained a masters degree in business administration from the University of Minnesota and has over 25 years of experience in banking and finance with various international financial institutions. He was previously an independent non-executive director of Hantec Investment Holdings Limited (“Hantec”) (later renamed as Cinda International Holdings Limited) which is listed on the Main Board of the Stock Exchange of Hong Kong Limited. He has resigned as the independent non-executive director of Hantec on 23 December 2008. Save as disclosed herein, 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. Yu does not have any other relationships with any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. Mr. Yu has no interests in Shares of the Company within the meaning of Part XV of the SFO.

Mr. Yu has renewed the appointment letter with the Company for two years and the term of office was from 1 June 2006 to 31 May 2008 and then for further two years from 1 June 2008 to 31 May 2010. Mr. Yu 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. Yu is not entitled to any bonus payment from the Company.

Save as disclosed above, Mr. Yu has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to rules 17.50(2)(h) to (v) of the GEM Listing Rules.

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: 8210)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“Meeting”) of Advanced Card Systems Holdings Limited (the “Company”) will be held at Units 2010-2013, 20th Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Hong Kong, on Friday, 8 May 2009 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements, the report of the directors and the independent auditors’ report for the year ended 31 December 2008.
2. To re-elect retiring directors and to authorise the board of directors to fix the remuneration of directors.
3. To re-appoint the auditors and to authorise the board of directors to fix their remuneration.
4. 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 on the Growth Enterprise Market (the “GEM Listing Rules”) of 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 in the capital of the Company and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) 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 of the Company) which might require the exercise of such power after the end of the Relevant Period (as hereinafter defined);

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal value of the share capital 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 aggregate of the total nominal value of share capital of the Company in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (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.”

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 (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 Growth Enterprise Market of the Stock Exchange or any other stock exchange of which the shares of the Company 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 GEM Listing Rules (as defined in ordinary resolution no. 4 above) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal value of shares of the Company 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 aggregate of the total nominal value of share capital of the Company in issue as at the date of passing 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.”

6. 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. 4 and 5 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. 4 set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal value of the share capital of the Company 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 aggregate nominal value of the share capital of the

NOTICE OF ANNUAL GENERAL MEETING

Company repurchased by the Company under the authority granted pursuant to Resolution no. 5 set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate of the total nominal value of share capital of the Company in issue as at the date of passing of the said Resolution.”

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

“**THAT** the payment of a dividend from the share premium account of the Company of HK0.8 cents per share in respect of the year ended 31 December 2008 to Shareholders of the Company as recorded on the register of members of the Company on 8 May 2009 be and is hereby approved.”

By order of the Board of
Advanced Card Systems Holdings Limited
WONG Yiu Chu, Denny
Chairman

Hong Kong, 31 March 2009

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:

Ugland House
P.O. Box 309
George Town
Grand Cayman
Cayman Islands
British West Indies

NOTICE OF ANNUAL GENERAL MEETING

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 form of proxy 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, Rooms 1806-1807, 18th 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 form of proxy 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. With regard to Resolution no. 2 in this notice, the board of directors of the Company proposes that the retiring directors of the Company, namely Mr. Tan Keng Boon and Mr. Yu Man Woon be re-elected as directors of the Company. Particulars of the said retiring directors are set out in Appendix II to the circular to the shareholders of the Company dated 31 March 2009.
5. An explanatory statement containing further details regarding Resolution no. 5 as required by the GEM Listing Rules of the Stock Exchange is set out in Appendix I to the circular to the shareholders of the Company dated 31 March 2009.
6. The register of members will be closed from Monday, 4 May 2009 to Friday, 8 May 2009, both days inclusive. In order to qualify for the proposed dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 30 April 2009.