
LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

1 March 2017

To the Offer Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
FORTUNE (HK) SECURITIES LIMITED
ON BEHALF OF
HNA ECOTECH PIONEER ACQUISITION
TO ACQUIRE ALL THE ISSUED SHARES OF
ADVANCED CARD SYSTEMS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED
BY HNA ECOTECH PIONEER ACQUISITION AND PARTIES
ACTING IN CONCERT WITH IT)**

We refer to this Composite Document dated 1 March 2017 jointly issued by the Company and the Offeror of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in this Composite Document.

We have been appointed to constitute the Independent Board Committee to consider the terms of the Offer and to advise the Offer Shareholders as to whether or not the terms of the Offer are fair and reasonable and to make recommendation in respect of acceptance of the Offer. Gram Capital has been appointed as the Independent Financial Adviser to make recommendation to us in respect of the terms of the Offer and, in particular, whether the Offer is fair and reasonable and to make recommendation in respect of the acceptance the Offer. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the “Letter from Gram Capital” on pages 21 to 32 of this Composite Document. We also wish to draw your attention to the “Letter from the Board”, the “Letter from Fortune Securities” and the additional information set out in the appendices to this Composite Document.

We, being the members of the Independent Board Committee, have no direct or indirect interest in the Offer other than Mr. Lo Kar Chun, *SBS, JP* who is interested in 450,000 Shares, representing approximately 0.14% of the entire issued share capital of the Company as at the

* *For identification purpose only*

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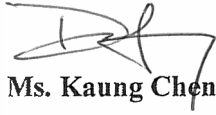
Latest Practicable Date. Save for the aforesaid interest of Mr. Lo Kar Chun, *SBS, JP* in the Shares, we do not have any conflict of interest in respect of the Offer, and are therefore independent and able to consider the terms of the Offer and make recommendation to the Offer Shareholders.

Having considered the terms of the Offer and the advice from Gram Capital, in particular the factors, reasons and recommendation as set out in the “Letter from Gram Capital”, we concur with the view of Gram Capital and consider that the terms of the Offer are fair and reasonable so far as the Offer Shareholders are concerned, and recommend the Offer Shareholders to accept the Offer.

Offer Shareholders are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period, and consider selling their Shares in the open market, where possible, instead of accepting the Offer, if the net proceeds from such sales exceed the net amount receivable under the Offer.

Notwithstanding our recommendation, the Offer Shareholders are reminded that their decision to realise or to hold their investment in the Company depends on their own individual circumstances and investment objectives. If in any doubt, the Offer Shareholders should consult their own professional advisers for professional advice.

Yours faithfully,
For and on behalf of the
Independent Board Committee of
Advanced Card Systems Holdings Limited



Ms. Kaung Chong Xi Dawn



Mr. Lo Kar Chun, SBS, JP
Independent non-executive Directors



Mr. Yim Kai Pung