ACS, Splendid "Reading"
——Interview with Mr. Tang Zhaosheng, Sales Manager of ACS Technologies (Shenzhen) Ltd.

Reporter: Sunny

Editor's Words:

At the end of 2010, ACS Technologies（Shenzhen）Ltd. (hereinafter referred to as ACS) was awarded as one of the companies on Forbes Asia's 2010 "Best Under a Billion" list, a prestigious list of 200 top-performing companies with sales between US$5 million and US$1 billion, selected from 12,930 publicly listed enterprises in Asia Pacific. ACS smart cards and readers are widely used in more than 100 countries worldwide, covering finance, mobile payment, health care & social security card, public transport and other fields, and thus render it the leader in the industry. Today, out of curiosity and looking for answers, we interviewed Mr. Tang Zhaosheng, Sales Manager of ACS Technologies（Shenzhen）Ltd. The interview contents are as follows:

ACS smart cards and readers have covered the banking, health care, public transport, mobile payment, identity cards, network security, and other areas. We would like Mr. Tang to introduce the situations on market development and product sales over the last year.

Mr. Tang Zhaosheng

ACS is a company specialized in design, development and sales of smart card and reader products. Currently, ACS smart cards and readers are mainly applied in 7 major industry sectors e.g. banking, smart ID, telecommunications, transportation, social security, taxation and network security. Specifically, ACS readers have occupied a certain market share in the sectors of banking, telecommunications, taxation and network security, and generated a high sales volume

last year. In 2011, ACS will increase its investment in R&D of relevant products and its efforts in market development, hopefully to make good achievements in the remaining areas.

At present, the mobile payment has become a hot topic. How does ACS view the development of mobile payment, and how to deal with its trend?

Mr. Tang Zhaosheng

The mobile payment, also known as mobile phone payment, is a kind of service that allows users to use their mobile devices (usually mobile phones) as a mean of payment for the goods or services they consumed. Comparing with the traditional means, such as cash, the mobile payment enjoys significant advantages, and

becomes a prevailing trend. Under this global trend, the mobile payment technology develops very quickly. Therefore, its increasing practical applications go along with the demand for the reader market.

ACS has long been paying attention to the development of mobile payment technology. As early as in 2009, ACS already launched the world's first CCID-compliant NFC reader –ACR 122, signaling its engagement in the field of global mobile payment reader. The ACR122 is a USB full speed device (12Mbps) with working frequency of 13.56MHz. It supports not only the Mifare cards and ISO14443 type A and B cards, but also FeliCa cards and four types of NFC tags. It can read the tags at speed up to 424Kbps. In addition, the reader does not require any driver, and is safe and convenient to use. In early 2011, ACS has released a LCD-equipped NFC reader – ACR122L. Both ACR122 and ACR122L have currently been used by many operators and system integrators in pilot programs of mobile payment. I believe that in the next 1-2 years the devices will be used in a large scale. ACS will continue to invest and strengthen its R&D team so as to stay ahead in the field.

Recently, the People's Bank of China has officially announced the timetable of bank IC card. ACS has accumulated technologies in the aspect of financial IC card over years. Given such opportunity, how will ACS continue its efforts in the Chinese market? What are the advantages of your products and technology?

Mr. Tang Zhaosheng

The EMV card features high security and supports diverse applications. The EMV migration is an inevitable trend in the industry of international bank card. Currently, the EMV migration is carrying out successfully in Europe and the Americas. ACS also contributes by providing high quality products, services and related technical support for the on-going migration.

On March 15, 2011, the People's Bank of China released the timetable for financial IC card's acceptance environment rehabilitation and commercial banks' issuing financial IC cards, marking the official launch of bank card migration from magnetic stripe to IC card in China. It will greatly facilitate the rapid development of financial IC card application. To cater such market demand, ACS introduced a CCID standard dual-interface reader - ACR1281U. ACR1281U is a high-speed reader, supporting any contact and contactless cards with ISO 7816 and ISO 14443 standards respectively. In addition, the reader also complies with the international standards: PC/SC, EMV, PBOC and CCID which eliminates the need for drivers. Furthermore, the device supports the USB firmware upgrade preparing for any future changes. At present, the device is already being used in some EMV migration projects in China.

To gain the acceptance in the financial markets, ACS mainly lies on the following two points:

1. ACS has excellent R&D team and sales team who consistently offer meticulous and attentive services to its customers over the decade.

2. ACS's products are certified with international standards, e.g. EMV, PBOC and PC/SC. These certificates serve a proof of the quality of ACS products. The

compliance with international standards and the focus on product quality are the keys to success of ACS.

技术与安全 月刊 CARDS TECH & SECURITY

This issue of publication also publishes a feature article on social security card. From what I understood, ACS has also developed the social security card readers. How does your company view the trend of financial social security card markets? Is there any promotion program of your company in this field?

Mr. Tang Zhaosheng

The Twelfth Five-Year Plan was approved and concluded recently by NPC and NCCPC that the unified national social security card will increase to 800 million by the end of Twelfth Five-year, covering 60% of the population. To maintain the high security, the Ministry of Human Resources and Social Security set the standards so that the social security cards are all contact CPU cards, and that key management system is used nationwide in a unified way. In other words, the national social security cards are all IC card. In addition, the central bank and the Ministry of Human Resources and Social Security jointly issued the Notice on Matters Related to Application of Social Security Card in Banking Industry. The two parties will combine the financial IC cards with social security cards so that the social security card possesses the function of payment. This action creates both opportunities and challenges to reader developers. The social security cards are now applied in more and more social services, and being closely related to people's daily lives. In the new stage of development, ACS will leverage its 15 years of experiences on smart card reader to provide its full

support to the safe and large-scale deployment of social security cards. ACS will also launch some new products in light of the financial and social security card development in the near future.

技术与安全 月刊 CARDS TECH & SECURITY

As we know, your company was selected as Asia Pacific Best 200 SMEs from nearly 13, 000 enterprises last year by Forbes Asia. What is the development philosophy of your company?

Mr. Tang Zhaosheng

You are right. ACS received the award at the awarding ceremony at the end of November 2010. Actually, the Forbes Asia announced the "Best Under a Billion" list of 200 top performing Asian companies as early as in September 2010. Based on selection conditions - profitability, growth, debt scope and development prospect, ACS stood out from the 13, 000 enterprises with active stock trading in Asia-Pacific area and with sales volume between 5 million to 1 billion U.S. dollars. The list showed that the Chinese mainland and Hong Kong were the most representative regions, accounting for a total of 71; followed by India, accounting for 39. The Asia-Pacific region had a total of 18 enterprises

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classified under the category of technology hardware and device industry, while ACS was one of the two enterprises in Hong Kong classified under this category. ACS was proud of being recognized by Forbes. ACS will keep on developing smart card and reader technology and providing high quality products and services to our customers around the world.

Regarding our development philosophy, we can conclude it in the following four points:

1. Advanced smart card and reader technology

With the increasing competition in the domestic market, the demand of smart cards and readers are now much bigger than the supply. In major markets existing in the industry such as GSM card and EMV card, the product specifications have been comprehensively defined. Enterprises with sufficient funds find themselves not difficult in entering these industries. However, the advantage of ACS lies on its solid base, i.e. the advanced smart card and reader technology.

2. Innovative product concept

The survival and development of ACS depend on the innovation of products and ideas. In the era of rapid development of science and technology, new products emerge one after another. Customers are always requesting for better, newer and more creative products. Unchanged in product development will always be regarded as conservative and old in the

critical eyes of customers. This kind of company will finally be abandoned. ACS is rather prudent and conscientious from product conception, design to R&D process, and constantly innovates. Not only does ACS keep on learning, specializing, evaluating, and even traveling to Europe for certifying its products, but also gathers the latest information and design concepts from the market, and then apply them to the design of ACS products.

3. Long-term partnership

Additionally, we highly valued and cherished the long-term cooperative and strategic relationship with our customers and other partners. Over the 15 years upon ACS's founding in 1995, ACS has been committing to the smart card industry, focusing on the smart card and reader technology and enhancing our cooperation with customers. As of now, our product lines are greatly expanded and well-recognized in the market. We target the existing customers as our first customers of the new products.

4. Talent Recruitment

As a high-tech company, ACS has to face with different challenges every day. Against the rapid development of science & technology and ever-changing market demands, ACS consistently explores and recruits talents. New employees of ACS are generally from smart card and other relevant industries. They possess rich experience and outstanding performance. Among whom some young people are now the company's middle management. We also recruit fresh graduates; and provide them with on-the-job training, and a lot of learning and development opportunities. Currently, ACS is led by a team of excellent professional and technical persons.

The business success depends on the right strategies and competent staff for strategy implementation, while correct strategies are developed by staff. The exploration and recruitment of talents is always one of the most important strategies for the success of ACS.