ASIA COMMERCIAL HOLDINGS LIMITED

冠亞商業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 104)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2008

FINANCIAL HIGHLIGHTS
Turnover rose by 28% to HK$475 million
Profit for the year of HK$61 million
Gearing ratio decreased to 1%
Net asset value per share grew by 52% to HK$0.54 per share

The Board of Directors (the "Board") of Asia Commercial Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March 2008, together with the comparative figures for 2007. The financial information set out in this announcement below does not constitute the Group's statutory financial statements for the year ended 31st March 2008, but represents an extract from those financial statements. The financial information has been reviewed by the Company's audit committee.

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March

	Notes	2008 HK$'000	2007 HK$'000
Turnover	2	**475,289**	369,376
Cost of sales		**(277,198)**	(233,521)
Gross profit		**198,091**	135,855
Valuation gains on investment properties		**2,004**	–
Other revenue	2	**16,819**	15,001
Distribution costs		**(119,437)**	(107,933)
Administrative expenses		**(29,314)**	(24,350)
Other operating expenses, net		**(764)**	(54,574)
Profit/(loss) from operations		**67,399**	(36,001)
Finance costs	4(a)	**(913)**	(1,347)
Other expenses, net		**(488)**	(9,933)
Share of results of an associate		**–**	(2)
Profit/(loss) before taxation	4	**65,998**	(47,283)
Income tax	5	**(4,689)**	(2,511)
Profit/(loss) for the year		**61,309**	(49,794)
Attributable to			
Equity shareholders of the Company		**61,309**	(49,543)
Minority interests		**–**	(251)
Profit/(loss) for the year		**61,309**	(49,794)
Dividends	6		
Interim declared and paid during the year		**6,007**	–
Final proposed after the balance sheet date		**6,007**	–
		12,014	–
Earnings/(loss) per share (2007: restated)	7		
Basic (HK cents)		**11.36**	(10.43)
Diluted (HK cents)		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

As at 31st March

	Notes	2008 HK$'000	2007 HK$'000
Non-current assets			
Property, plant and equipment		**23,801**	23,035
Prepaid lease payments		**4,583**	8,728
Investment properties		**60,579**	14,005
Available-for-sale investments		**2,180**	430
		91,143	46,198
Current assets			
Inventories		**201,313**	70,081
Prepaid lease payments		**71**	110
Trade receivables, other receivables, deposits and prepayments	8	**50,909**	37,393
Cash and cash equivalents		**94,496**	118,202
		346,789	225,786
Current liabilities			
Trade payables, other payables and accrued charges	9	**103,905**	75,430
Income tax payable		**1,500**	1,078
Loan notes		**–**	73,025
		105,405	149,533
Net current assets		**241,384**	76,253
Total assets less current liabilities		**332,527**	122,451
Non-current liabilities			
Loan notes		**2,910**	–
Rental received in advance		**2,493**	2,568
		5,403	2,568
Net assets		**327,124**	119,883
Capital and reserves			
Share capital		**60,070**	33,372
Reserves		**267,054**	86,511
Total equity attributable to equity shareholders of the Company		**327,124**	119,883

Notes:

1. **BASIS OF PREPARATION**

The annual results of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, and the disclosure requirements of the Hong Kong Companies Ordinance. These annual results also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited. The annual results have been prepared under the historical cost convention, as modified by the revaluation of buildings, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit and loss and investment properties.

In the current year, the Group has adopted, for the first time, the following new standards, amendments to existing standards and interpretations issued by the HKICPA, which are effective for the Group's financial year beginning on 1st April 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – INT 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) – INT 8	Scope of HKFRS 2
HK(IFRIC) – INT 9	Reassessment of Embedded Derivatives
HK(IFRIC) – INT 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of these new standards, amendments to existing standards and interpretations had no material effect on the results and financial position for the current or prior accounting years. Accordingly, no prior period adjustment is required.

The Group has not early adopted the following new standards, amendments to existing standards and interpretations that have been issued but not yet effective for the financial year ended 31st March 2008.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Cost[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 8	Operating Segment[1]
HK(IFRIC) – INT 12	Service Concession Arrangements[2]
HK(IFRIC) – INT 13	Customer Loyalty Programmes[3]
HK(IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[2]

[1] Effective for annual periods beginning on or after 1st January 2009.

[2] Effective for annual periods beginning on or after 1st January 2008.

[3] Effective for annual periods beginning on or after 1st July 2008.

[4] Effective for annual periods beginning on or after 1st July 2009.

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group and the Company.

2. TURNOVER AND OTHER REVENUE

Turnover represents the gross proceeds received and receivable derived from the sale of watches and property leasing and is summarised as follows:

	2008	2007
	HK$'000	*HK$'000*
Turnover		
Sales of watches	**473,791**	367,708
Gross rental income from investment properties	**1,498**	687
Provision of programming services	**–**	981
	475,289	369,376
Other revenue		
Interest income from short-term bank deposits	**3,294**	2,639
Other interest income	**972**	906
Total interest income on financial assets	**4,266**	3,545
Customer services income and others	**12,553**	11,456
	16,819	15,001
	492,108	384,377

3. SEGMENT INFORMATION

(i) Business Segment

Details of the segment information by business segments are as follows:

	2008			
	Sales of watches	**Others***	**Elimination**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Turnover				
External sales	**473,791**	**1,498**	**–**	**475,289**
Inter-segment sales	**–**	**–**	**–**	**–**
	473,791	**1,498**	**–**	**475,289**
Segment results	**77,702**	**198**	**–**	**77,900**
Unallocated operating expenses				**(16,771)**
Operating profit				**61,129**
Valuation gains on investment properties	**–**	**2,004**	**–**	**2,004**
Interest income				**4,266**
Finance costs				**(913)**
Others expenses, net				
– allocated	**(126)**	**–**	**–**	**(126)**
– unallocated				**(362)**
				(488)
Profit before taxation				**65,998**
Income tax				**(4,689)**
Profit for the year				**61,309**

* Others included property leasing income.

	2007			
	Sales of watches	Others*	Elimination	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover				
External sales	367,708	1,668	–	369,376
Inter-segment sales	–	631	(631)	–
	367,708	2,299	(631)	369,376
Segment results	(27,034)	(1,897)	–	(28,931)
Unallocated operating expenses				(10,615)
Operating loss				(39,546)
Interest income				3,545
Finance costs				(1,347)
Others expenses, net				
– allocated	(2,369)	(5,483)	–	(7,852)
– unallocated				(2,081)
				(9,933)
Share of results of an associate	–	(2)	–	(2)
Loss before taxation				(47,283)
Income tax				(2,511)
Loss for the year				(49,794)

* Others included property leasing and programming services income.

(ii) Geographical Segment

Details of the segment information by geographical segments are as follows:

	2008	2007
	HK$'000	*HK$'000*
Segment revenue		
The People's Republic of China, excluding Hong Kong	**468,863**	364,143
Hong Kong	**5,602**	4,041
Switzerland	**438**	617
Others*	**386**	575
	475,289	369,376

* Others included U.S.A. and Taiwan.

4. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

a) Finance costs

	2008	2007
	HK$'000	*HK$'000*
Loan notes:		
Interest payable	**37**	375
Amortisation of premium	**876**	972
Total interest expense on financial liabilities not at fair value through profit or loss	**913**	1,347

b) Staff costs

	2008	2007
	HK$'000	*HK$'000*
Salaries, wages and other benefits (including directors' fee and emoluments)	**59,849**	51,176
Retirement benefits scheme contribution, net of forfeited contribution of HK$Nil (2007: HK$Nil)	**369**	669
	60,218	51,845

c) Other items

	2008	2007
	HK$'000	*HK$'000*
Rental receivable from investment properties less direct outgoings of HK$119,000 (2007: HK$9,000)	**(1,340)**	(678)
Net exchange loss/(gain)	**1,240**	(5,275)
Auditor's remuneration		
Audit services	**883**	827
Other services	**448**	275
Depreciation	**7,571**	6,543
Amortisation for prepaid lease payments	**111**	111
Bad debt written off	**763**	48
(Write-back)/write-down of inventories	**(22,535)**	63,302
Operating lease rentals in respect of rented premises: minimum lease payments	**37,734**	25,161
Cost of inventories recognised as expenses	**277,198**	233,521

5. INCOME TAX

	2008	2007
	HK$'000	*HK$'000*
Current:		
Hong Kong	**–**	–
Outside Hong Kong	**4,689**	2,511
	4,689	2,511

Hong Kong profits tax is calculated at a rate of 17.5% (2007: 17.5%) of the estimated assessable profit for the year. No Hong Kong profits tax is provided because the assessable profits generated during the year are set off by the accumulated tax losses brought forward from previous years.

Taxation for overseas subsidiary companies is provided at the appropriate current rates of taxation ruling in the relevant countries.

6. DIVIDENDS

	2008	2007
	HK$'000	*HK$'000*
Interim, paid of 1 HK cent per share (2007: Nil HK cent per share)	**6,007**	–
Final, proposed of 1 HK cent per share (2007: Nil HK cent per share)	**6,007**	–
	12,014	–

At a meeting held on 3rd July 2008, the directors proposed a final dividend of 1 HK cent per share for the year ended 31st March 2008. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31st March 2009.

7. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to equity shareholders of the Company is based on the following data:

	2008	2007
	HK$'000	*HK$'000*
Profit/(loss) for the year attributable to the equity shareholders of the Company for the purpose of basic earnings/(loss) per share	**61,309**	(49,543)

	Number of shares	
	2008	2007
		(Restated)
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**539,837,497**	474,853,925

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the year ended 31st March 2008 has accounted for the effect of issuance of new shares pursuant to the open offer which was completed in September 2007. The corresponding weighted average number of ordinary shares of 2007 has been retrospectively adjusted to reflect the said open offer.

(b) Diluted earnings/(loss) per share

No disclosure of the diluted earnings/(loss) per share for the year under review and the corresponding previous period as there is no dilutive potential ordinary shares.

8. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The Group allows credit period of ranging from cash on delivery to 90 days to its trade debtors. The aging analysis of trade debtors of HK$30,960,000 (2007: HK$28,825,000) which are included in the Group's trade debtors at the balance sheet date is as follows:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Trade debtors		
Up to 90 days	**30,658**	23,932
91 to 180 days	**55**	565
Over 180 days	**247**	4,328
	30,960	28,825
Allowance for doubtful debts	**(8)**	(4,261)
	30,952	24,564
Other receivables, deposits and prepayments	**8,841**	9,696
Rental and utility deposits	**11,116**	3,133
	50,909	37,393

The carrying amounts of trade debtors, other receivables, deposits and prepayment at 31st March 2008 approximated their fair value.

The carrying amounts of 75% of the Group's trade debtors are denominated in Renminbi (2007: 71%).

9. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

Included in trade payables, other payables and accrued charges are trade payables of HK$40,104,000 (2007: HK$25,729,000), the aging analysis of which at the balance sheet date is as follows:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Trade payables		
Up to 90 days	**39,791**	25,393
91 to 180 days	**–**	336
Over 180 days	**313**	–
	40,104	25,729
Other payables and accrued charges	**22,888**	21,417
Deposit received	**2,003**	456
Other tax payables	**38,910**	27,828
	103,905	75,430

The fair value of the Group's trade and other payables, and accrued charges at 31st March 2008 approximated to their corresponding carrying amount.

The carrying amounts of trade payables of the Group are mainly denominated in Renminbi.

All of the other trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

10. CONTINGENT LIABILITIES

So far as the Directors are aware, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration or claims which is, in the opinion of the Directors, of material importance and no litigation or claims which is, in the opinion of the directors, of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

11. PLEDGE OF ASSETS

As at 31st March 2008, the Group's general banking facilities were secured by certain leasehold properties and prepaid lease payments with carrying value of HK$1,283,000 (2007: HK$7,923,000) and HK$556,000 (2007: HK$4,964,000) respectively as well as certain investment properties at valuation of HK$14,800,000 (2007: HK$1,335,000).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

This is the first full year's results under new management following the change of controlling shareholder of the Company in December 2006. The primary focus of the new management is to build a premier watch retailing network in China through its "TIMECITY" store name. The financial highlights above show the strong growth of Company during the year through the efforts of our committed staff and management.

We are pleased to announce that the Group's turnover from sale of watches backed by strong overall same store sales growth, increased during the year from HK$369 million to HK$475 million representing an increase of 28%. This was achieved through focusing on the high end sector of the market by improved selection of brand mix and disciplined inventory control.

During the year under review, we closed down 11 non-performing retail POSs while opened 7 new strategic retail POSs. This can be summarised as below:

	As at 31st March 2007	As at 31st March 2008	Remarks
Beijing	4	6	– Vacheron Constantin and Audemars Piguet boutiques opened.
Shanghai	7	9	– Opening of Rolex/Tudor boutique in October 2007; – Opening two new POSs in Pudong and Nanjingdonglu; and – Closed one POS in Xujiahui district.
Shenyang	5	6	– Close down of one POS after expiry of existing lease; and – two new POSs in two major shopping areas opened.
Chengdu, Chongqing, Urumuqi and Xiamen	14	5	– Operations in Xiamen comprising 7 POSs were closed to enable the Group to focus on the major cities in China; and 2 POSs in Chongqing were closed.

In February 2008, renovation work started on our main store of TIMECITY in Beijing. This will transform the 800 sq. m. store into our Beijing flagship store. The renovation work is expected to complete in time for the Beijing Olympics.

TIMECITY is the first foreign operated watch retail chain in China. Our basic philosophy has remained unchanged. We believe that service quality is of significant importance in our business and that our customers should enjoy the experience of shopping with us both for in-shop service and after-sales service. Our management is committed to ensure that the Group will continue to strengthen staff development and training to maintain its competitiveness.

The Group's distribution expenses increased during the year mainly due to increased rentals and high staff costs in line with the growth in business. The management will use its endeavours to monitor and control costs. Book value of stock increased significantly compared with the corresponding period mainly due to the inventory acquired for the opening of the Rolex/Tudor boutique in Hong Kong immediately after the year end and to facilitate the business expansion of the entire Group.

The group has closed down the Taiwan and China subsidiary offices of Juvenia and completed the re-structuring of Juvenia Swiss operation.

FINANCIAL REVIEW

Results review

During the year ended 31st March 2008, the Group recorded turnover of HK$475 million (2007: HK$369 million) representing an increase of 28% (2007: 12%) over the last year. The increase was attributable to the increase in retail sales at the Groups' retail chain "TIMECITY" which benefited from the strong growth in Mainland China's economy.

Distribution costs were increased by 11% to HK$119 million mainly due to increase in rental expense as more retail shops come into operation during the year. Administrative expenses also rose 20% from HK$24 million to HK$29 million.

Liquidity and financial resources

As at 31st March 2008, the Group's total cash balance amounted to HK$94 million (2007: HK$118 million). The decrease was mainly due to the redemption of loan notes with principal value of Swiss Francs 11,250,000 and the additional investment made by the Group in opening new shops. The decrease in cash balance is set off by the net proceeds received from the open offer of new shares to shareholders of the Company. The remaining balance of the loan notes have been reclassified from current to non-current liabilities as their maturity date is February 2010. The Group has no bank borrowing as at 31st March 2008 except for the Swiss Francs 550,000 7/8% loan notes issued on 22nd February 1994. Gearing ratio of the Group, expressed as a ratio of total borrowing over total equity, was 1% as at 31st March 2008 (2007: 60.9%).

Foreign exchange risks

The Group views its main currencies as Hong Kong dollars, Renminbi and Swiss Francs. The exchange loss arisen on translation of the Group's liabilities has been alleviated by appreciation of the same currency during the period. The Group monitors its exposure to foreign exchange risks and, when it considers necessary and appropriate, will hedge its foreign exchange risks by using financial instruments.

PROSPECTS

Statistics released by the Federation of the Swiss Watch Industry show that Asia has the fastest growth in Swiss watch import beating Europe and America, underpinned by strong demand in China, in particular. According to the Federation of the Swiss Watch Industry, Swiss watch export to China grew more than 40% year-on-year in 2007 and accelerated to 60% for the first quarter of 2008. And yet, China only represented 5.3% of total Swiss export value for the first quarter of 2008 which means there is ample room for growth ahead of us. The Group is determined and well-positioned to capture the growth opportunities. The management is already working closely with major brands for the opening of new shops in major cities of Mainland China and Hong Kong to strengthen the Group's retail network. This includes the Group's third Vacheron Constantin boutique and the opening of our Shanghai flagship store of 633 sq m. which features Vacheron Constantin, Rolex, Tudor and Breguet.

In April 2008, the Group opened a Rolex brand boutique in Central, the business center of Hong Kong. This marked the Group's first step to expand the Greater China market by foraying into Hong Kong. The new store enables the Group to capture the business of Mainland China tourists as well as other overseas visitors to Hong Kong. It also serves as a key strategic milestone for the Group to lay the foundation needed for future brand portfolio expansion and acquisitions by raising its visibility.

Going forward, the Group will continue to develop its retail network by focusing on strategic locations. We will also seek to expand our product offerings by carrying more designs and introducing more internationally renowned brands. We will continue to improve our sales and after-sales services to ensure the flawless experience of our customers.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices by emphasising a quality board of directors, sound internal control, transparency and accountability to all the shareholders of the Company.

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited throughout the year ended 31st March 2008 except for the deviation from code provisions E.1.2 and A.4.1 and those discussed below:

The Company was incorporated in Bermuda and enacted by private act, the Asia Commercial Holdings Limited Company Act, 1989 of Bermuda (the "1989 Act"). Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting as provided in the Bye-Laws.

As the Company is bounded by the provision of the 1989 Act, at this time, the Bye-Laws cannot be amended to fully reflect the requirements of the Code. As such, a special resolution was passed at the special general meeting held on 28th March 2007 to amend the Bye-Laws of the Company so that, inter alia, (i) every director (save for a director holding office as Chairman or Managing Director) of the Company shall be subject to retirement by rotation at least once every three years (ii) a director may be removed by an ordinary resolution in general meeting instead of a special resolution; (iii) any director appointed by the Board to fill a casual vacancy or as an additional director shall hold office until the next following general meeting, instead of the next annual general meeting.

To enhance good corporate governance practice, Mr. Eav Yin, the Chairman of the Board has confirmed to the Board that he will voluntarily retire from his directorship at annual general meeting of the Company at least once every three years in order for the Company to comply with the Code, provided that being eligible for re-election, he may offer himself for re-election at the annual general meeting.

The Chairman is Mr. Eav Yin while the function of the chief executive officer is divided between the remaining executive directors.

Code provision E.1.2 of the Code provides that the Chairman of the Board should attend the annual general meeting. The Chairman of the Board had not attended the annual general meeting of the Company held on 28th September 2007 due to other business commitment. The Chairman of the Board will endeavor to attend all future annual general meetings of the Company.

Codes provision A.4.1 of the Code provides that non-executive director should be appointed for a specific term, subject to re-election.

During the year, the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years and re-election at annual general meeting in accordance with the Company's Bye-Laws. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the Code.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

Compliance of the Model Code for Securities Transaction by Directors of Listed Issuers

All Directors have confirmed that they complied with the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules throughout the year under review.

OTHER INFORMATION

Final Dividend

The Directors have proposed a final dividend of 1 HK cent per share for the year ended 31st March 2008 (2007: Nil HK cent). Subject to approval by shareholders at the forthcoming Annual General Meeting to be held on 26th August 2008, the final dividend will be payable on or about 2nd September 2008 to shareholders whose names appear on the Register of Members of the Company on 26th August 2008.

Closure of Register of Members

The register of members of the Company will be closed from 20th August 2008 to 26th August 2008 both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 19th August 2008.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of Company's listed securities on the Stock Exchange during the year.

Audit Committee

The Audit Committee is responsible for assisting the Board in safeguarding the Group's assets by providing an independent review of the effectiveness of the financial reporting process and the internal controls and risk management systems of the Group. It also performs other duties as assigned by the Board. All the members of our Audit Committee are independent non-executive Directors.

Scope of work of CCIF CPA Limited

The figures in respect of the announcement of the Group's results for the year ended 31st March 2008 have been agreed by the Group's auditor, CCIF CPA Limited to the amounts set out in the Group's audited financial statements for the year. The work performed by CCIF CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCIF CPA Limited on the announcement.

Employees and Remuneration Policy

There were 513 employees in the Group as at 31st March 2008. The Group offers competitive remuneration packages to employees in line with market trends. Incentives such as discretionary bonuses and staff share options are offered to motivate employees.

EXPRESSION OF GRATITUDE

The Board would like to take this opportunity to express its gratitude to all staff members, shareholders, bankers, customers, suppliers and professional advisors for the sincere support to the Group.

By order of the Board
Asia Commercial Holdings Limited
Au Shiu Leung, Alex
Executive Director and Company Secretary

Hong Kong, 3rd July 2008

As at the date of this announcement, the Board comprises Mr. Eav Yin (Chairman), Mr. Eav Ming Keong, Kinson and Mr. Au Shiu Leung, Alex as executive directors, Mr. Lai Si Ming, Ms. Wong Wing Yue, Rosaline and Mr. Lee Tat Cheung, Vincent as independent non-executive directors.

* *For identification purpose only*