



ASIA COMMERCIAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 104)

FINAL RECEIPT OF CONSIDERATION FOR THE DISPOSAL OF THE LAKEVIEW PROJECT

In August 1999, the Company completed the disposal of the Group's interest in the Lakeview Project for an aggregate consideration of HK\$157 million. At the time of Completion, land use rights in respect of certain phases of the Lakeview Project have not been obtained. Pursuant to the terms of the Disposal Agreement, the Group will be entitled to receive the remainder of the consideration from time to time according to the time schedule of the obtaining of the land use rights of the relevant area within the Non-vested Land but not later than 22nd August, 2009.

The Purchasers have notified that the land use rights in respect of Phase 11 of the Lakeview Project have been obtained and as a result, a final payment for the consideration of approximately HK\$21 million was paid by the Purchasers to the Group on 26th January, 2005.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

BACKGROUND OF THE DISPOSAL

In August 1999, the Group completed the disposal of the interests in the Lakeview Project for a consideration of HK\$157 million. Of the total Consideration of HK\$157 million, an amount of HK\$4 million was received upon signing of the Disposal Agreement, an amount of HK\$76.5 million was received upon Completion and an amount of approximately HK\$47.4 million was received on 25th August, 2003 (as detailed in the announcement of the Company of the same date). The Lakeview Project, at the time of the Disposal, comprised a residential development site located at Hwang Gang Lake, Dongguan, PRC and a golf course and related club house facilities to be constructed with an aggregate of 3.4 million square metres.

At the time of the Disposal, land use right certificates had not been obtained in respect of a portion of the Lakeview Project (Phases 7 to 11) with a total site area of approximately 2.5 million square metres, representing the Non-vested Land. On 25th August, 2003, an amount of approximately HK\$47.4 million was received in respect of Phases 7 to 10 of the Lakeview Project after the land use right certificates covering approximately 1.3 million square metres of the Non-vested Land have been received.

At the time of entering into the Disposal Agreement, the Disposal constituted a major transaction of the Company under the then Listing Rules. Details of the Disposal have been disclosed in announcements of the Company dated, among others, 2nd November, 1998, 4th August, 1999 and 23rd August, 1999 and circulars of the Company dated 14th December, 1998 and 23rd August, 1999. The Disposal was duly disclosed in the aforesaid announcements and circulars and approval of the Disposal was obtained by way of shareholder certificates pursuant to the then Listing Rules.

NOTICE AND PAYMENT RECEIVED FROM THE PURCHASERS

As notified by the Purchasers, further land use right certificates for Phase 11 of the Lakeview Project covering approximately 0.5 million square metres of the Non-vested Land have been received. On 26th January, 2005, the Company has received from the Purchasers the Payment of approximately HK\$21 million in respect of such land use rights. As informed by the Purchasers, all relevant land use right certificates for the Lakeview Project have been obtained. Accordingly, the Payment represents the final receipt of consideration by the Company for the Disposal pursuant to the Disposal Agreement.

FINANCIAL EFFECT ON THE GROUP

Pursuant to the Statement of Standard Accounting Practice 28 “Provisions, Contingent Liabilities and Contingent Assets”, governing financial statements relating to periods beginning on or after 1st January, 2001, the amounts receivable as the Consideration pursuant to the Disposal Agreement has not been accounted for in the balance sheet of the Company due to the uncertainty in the granting of land use rights in respect of the Non-vested Land, which is not wholly within the control of the Company. Such Consideration has been treated as a contingent asset and disclosed in the financial statements accordingly. As a result of the Payment, the amount of approximately HK\$21 million will be accounted for as a gain in the financial statements of the Group for the year ending 31st March, 2005.

TERMS USED IN THIS ANNOUNCEMENT

“Disposal Agreement”	the sale and purchase agreement dated 27th October, 1998 (as amended) between the Group as the vendor and the Purchasers in relation to the sale and purchase of the interest in the Lakeview Project
“Board”	the board of Directors
“Company”	Asia Commercial Holdings Limited, a company incorporated in Bermuda with limited liability whose issued shares are listed on the Stock Exchange
“Completion”	completion of the Disposal Agreement, which took place on 23rd August, 1999
“Consideration”	HK\$157 million, being the consideration for the Disposal
“Directors”	directors of the Company
“Disposal”	the disposal by the Group of the interest in the Lakeview Project pursuant to the Disposal Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lakeview Project”	the residential property development project located at Hwang Gang Lake, Dongguan, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-vested Land”	portions within the Lakeview Project, comprising Phases 7 to 11, the land use right certificates of which had not been obtained at the time of Completion
“Payment”	final payment of approximately HK\$21 million received from the Purchasers as part of the Consideration
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
“Purchasers”	Zealand Limited and Viewsun Company Limited, being companies independent of the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Sum Pui Ying, Adrian
Managing Director

Hong Kong, 26th January, 2005

As at the date of this announcement, the Board comprises Mr. Leung Chung Ping, Owen, Mr. Sum Pui Ying, Adrian as executive Directors, Miss Leung Miu King, Marina as a non-executive Director and Mr. Sit Kien Ping, Peter, Mr. Lai Si Ming and Mr. Frank Miu as independent non-executive Directors.

Please also refer to the published version of this announcement in The Standard dated 27 January 2005.