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ASIA COMMERCIAL HOLDINGS LIMITED

冠亞商業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 104)

**PROPOSED OPEN OFFER
OF A TOTAL OF 266,975,612 OFFER SHARES TO QUALIFYING SHAREHOLDERS
(ON THE BASIS OF 4 OFFER SHARES FOR EVERY 5 SHARES HELD)
AT HK\$0.40 PER OFFER SHARE
AND
RESUMPTION OF SHARE TRADING**

PROPOSED OPEN OFFER

The Board announces that the Company proposes to raise approximately HK\$107 million, before expenses, by the issue of a total of 266,975,612 new Shares at the Subscription Price of HK\$0.40 per Offer Share by way of an Open Offer on the basis of 4 Offer Shares for every 5 existing Shares held on the Record Date.

Under the Open Offer, the Qualifying Shareholders are entitled to subscribe for up to the Offer Shares pro rata to their existing shareholdings on such basis. No Qualifying Shareholder is entitled to apply for any Offer Shares which are in excess to its entitlement.

UNDERWRITING ARRANGEMENTS AND COMMITTED SHARES

On 16th July 2007, the Company and Mr. Eav entered into the Undertaking Letter. Under the Undertaking Letter, Mr. Eav has irrevocably undertaken to the Company to take up (and procure his relevant associates to take up) the full entitlements of himself and of his associates under the Open Offer, comprising a total of 153,484,885 Offer Shares, under the Open Offer.

Furthermore, on 16th July 2007, the Company and the Underwriter (the entire issued share capital of which is owned by Mr. Eav) entered into the Underwriting Agreement in respect of the Open Offer. Under the Underwriting Agreement, the Underwriter has conditionally agreed to fully underwrite the subscription of the 113,490,727 Offer Shares pursuant to the Underwriting Agreement. In consideration of such underwriting arrangement, the Company will pay the Underwriter an underwriting fee at the rate of 2% of the aggregate Subscription Price of the 113,490,727 Offer Shares so underwritten.

Mr. Eav is the existing ultimate controlling shareholder of the Company. He is holding and interested, directly and indirectly through his associates, in a total of 191,856,107 Shares, representing approximately 57.49 % of the entire issued share capital of the Company. If and when the Shares held by the public as a result of the Open Offer falls below 25% as required by the Listing Rules as illustrated below in this announcement, the Stock Exchange has the right under the Listing Rules to suspend trading in the Shares on the Stock Exchange until such percentage is restored to 25% or above.

CONDITIONS OF THE OPEN OFFER AND THE SGM

The Open Offer is conditional upon fulfilment of the conditions set out in the section headed “Conditions of the Open Offer” below. In particular, the Open Offer is conditional upon, among others,:

- (i) the ordinary resolution approving the Open Offer being duly passed at the SGM;
- (ii) the Listing Committee of the Stock Exchange granting, or agreeing to grant (subject to allotment), the listing of, and permission to deal in, the Offer Shares; and
- (iii) the obligations of the Underwriter under the Underwriting Agreement not being terminated in accordance with its terms.

Furthermore, the Underwriting Agreement contains provisions entitling the Underwriter to terminate the Underwriting Agreement. Accordingly, the Open Offer may or may not proceed. The Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares.

The net proceeds of the Open Offer, after deduction of expenses, are estimated to be approximately HK\$105 million. The Company intends to apply such amount as to (a) approximately HK\$73 million for reduction of its borrowings and (b) as to the remaining balance of approximately HK\$32 million as the Group’s general working capital.

An Independent Board Committee will be appointed to advise the Independent Shareholders in respect of the proposed Open Offer. An independent financial adviser will also be appointed to advise the Independent Board Committee and the Independent Shareholders on the proposed Open Offer. A circular containing, amongst other things, information on the proposed Open Offer, the recommendation of the Independent Board Committee and the advice from the independent financial adviser in relation to the proposed Open Offer, and the notice of the SGM will be despatched to the Shareholders as soon as practicable.

RESUMPTION OF TRADING

At the request of the Company, trading of the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 17th July 2007 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 18th July 2007.

THE PROPOSED OPEN OFFER

The Company proposes to raise approximately HK\$107 million, before expenses, by the issue of a total of 266,975,612 new Shares at the Subscription Price of HK\$0.40 per Offer Share by way of an Open Offer to the Qualifying Shareholders to subscribe for up to the Offer Shares pro rata to their existing shareholdings on the basis of 4 Offer Shares for every 5 existing Shares held on the Record Date.

Issue statistics

Basis of the Open Offer:	4 Offer Shares for every 5 Shares held on the Record Date by the Qualifying Shareholders
Number of Shares in issue as at the date of this announcement:	333,719,516 Shares
Number of Offer Shares to be issued:	266,975,612 Offer Shares
Subscription price:	HK\$0.40 per Offer Share

As at the date of this announcement, there are no outstanding convertible securities issued by the Company or options granted under the two share option schemes of the Company adopted on 15th September 1997 (which has been terminated) and 20th September 2002, respectively. The Company will not issue any new Shares prior to the Record Date.

TERMS OF THE OPEN OFFER

Subscription Price

The Subscription Price of HK\$0.40 per Offer Share is payable in full upon acceptance of the provisional allotments.

The Subscription Price represents:

- (i) a discount of approximately 54% to the closing price of HK\$0.87 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 24% to the theoretical ex-entitlement price of approximately HK\$0.66 per Share based on the closing price per Share of HK\$0.87 as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 55% to the average closing price of approximately HK\$0.89 per Share for the previous five trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (iv) a discount of approximately 55% to the average closing price of approximately HK\$0.89 per Share for the previous ten trading days as quoted on the Stock Exchange up to and including the Last Trading Day; and
- (v) a discount of approximately 11% to the consolidated net asset value per Share of HK\$0.36 based on the audited consolidated net asset value of the Group of HK\$119,883,000 as at 31st March 2007 and 333,719,516 Shares in issue as at the date of this announcement.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter, having regard to prevailing market conditions, the recent trading volume and price performance of the Shares on the Stock Exchange and the audited consolidated net asset value of the Group as at 31st March 2007. The Board considers the Subscription Price and the terms of the Open Offer to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Conditions of the Open Offer

Please refer to the paragraph headed "Underwriting Arrangements" below.

Status of the Offer Shares

The Offer Shares (when allotted and issued fully-paid) will rank *pari passu* with the Shares in issue on the date of allotment and issue of the Offer Shares in all respects. Holders of fully-paid issued Offer Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by reference to a record date falling after the date of allotment of the Offer Shares.

Fractions of Offer Shares will not be allotted. Each Qualifying Shareholder's entitlement under the Open Offer will be rounded down for the purposes of calculating entitlements.

Qualifying Shareholders

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date.

In order to be registered as a member of the Company on the Record Date, all transfer of Shares (together with the relevant share certificate(s)) must be lodged with the Company's branch share registrar in Hong Kong, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, by no later than 4:00 p.m. (Hong Kong time) on 21st August 2007 pursuant to the expected timetable.

The Company will send the Prospectus Documents to the Qualifying Shareholders only. The Company will send the Prospectus, without the provisional allotment letter, to the Non-Qualifying Shareholders for information only.

The entitlement of the Qualifying Shareholders to apply and subscribe for the Offer Shares, allocated to a Qualifying Shareholder in the form of provisional allotment letter will not be transferable or renounceable, in whole or in part, for their own benefits. There will not be any trading of nil-paid entitlements to the Offer Shares on the Stock Exchange. Any Offer Shares not taken up by the relevant Qualifying Shareholders (and the Offer Shares to which the Non-Qualifying Shareholders would otherwise have been entitled to under the Open Offer as referred to below) will not be available for subscription by other Qualifying Shareholders by way of excess application.

Rights of Non-Qualifying Shareholders

The Prospectus Documents will not be registered under the applicable securities or equivalent legislation of any jurisdictions other than in Hong Kong. The Company will send the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any provisional allotment letters to the Non-Qualifying Shareholders. The Company will make enquiry with the relevant overseas lawyers with respect to regulatory prohibitions against the Company making the Open Offer to the Non-Qualifying Shareholders as required under Rule 13.36(2) of the Listing Rules and such information will be disclosed in the circular to be despatched by the Company in connection with the Open Offer. The Non-Qualifying Shareholders will nevertheless still be entitled to vote at the SGM.

The Company advises that Shareholders who have registered addresses outside Hong Kong and wish to be entitled to the provisional allotment of Offer Shares should change their registered addresses to addresses in Hong Kong on or before the latest time for lodging transfers of Shares to qualify for the Open Offer, that is, 4:00 p.m. on Tuesday, 21st August 2007.

Closure of register of members

Pursuant to the expected timetable, the register of members of the Company will be closed from 22nd August 2007 to 30th August 2007, both dates inclusive. No transfer of Shares will be registered during this period.

The last day of dealings in Shares on cum-entitlement basis is Friday, 17th August 2007, after which the trading in the Shares will go ex-entitlement to the Open Offer.

Share certificates

Subject to the fulfillment of conditions of the Open Offer as set out in the section headed “Conditions of the Open Offer” below, certificates for the Offer Shares are expected to be posted on or before Tuesday, 25th September 2007 to those who have accepted/applied and paid for the Offer Shares at their own risks.

No application for excess Offer Shares

No Qualifying Shareholder is entitled to apply for any Offer Shares which are in excess to its entitlements. Any Offer Shares not taken up by the Qualifying Shareholders, and the Offer Shares to which the Non-Qualifying Shareholders would otherwise have been entitled to under the Open Offer, will be taken up by the Underwriter in accordance with the Underwriting Agreement.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange.

Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of the applicable stamp duty, Stock Exchange trading fee and SFC transaction levy.

UNDERWRITING ARRANGEMENTS

Underwriting Agreement

Date: 16th July 2007

Underwriter: Eastern Rich Enterprises Limited, which is an investment holding company incorporated in Hong Kong. The entire issued share capital of the Underwriter is held by Mr. Eav.

Number of Offer Shares underwritten: 113,490,727 Offer Shares

Underwriting fee: an underwriting fee at the rate of 2% of the aggregate Subscription Price of the 113,490,727 Offer Shares underwritten by the Underwriter is payable by the Company to the Underwriter

As at the date of this announcement, Mr. Eav is the existing ultimate controlling shareholder of the Company. Mr. Eav is directly and indirectly through his associates holding and interested in a total of 191,856,107 Shares, representing approximately 57.49 % of the entire issued share capital of the Company. Mr. Eav has irrevocably undertaken to the Company to take up by himself and procure his relevant associates being immediate Shareholders to take up their respective entitlements, comprising a total of 153,484,885 Offer Shares, under the Open Offer.

The Underwriter, the entire share capital of which is wholly owned by Mr. Eav, does not have any Shares currently.

Pursuant to the Undertaking Letter, Mr. Eav has irrevocably undertaken to the Company that (a) he will not dispose of (or procure the disposal of) any of the 191,856,107 Shares held by himself and by his associates prior to the Latest Acceptance Time; and (b) he will take up and procure those of his associates to take up and pay for 153,484,885 Committed Shares, representing the full entitlements of Mr. Eav and his associates under the Open Offer, on and subject to terms of the Open Offer. The undertaking is conditional upon fulfillment of the conditions of the Open Offer (other than that in relation to fulfillment of Mr. Eav's obligations under the Undertaking) as mentioned below.

The remaining balance of the Offer Shares have been fully underwritten by the Underwriter under the Underwriting Agreement.

It is not in the ordinary or usual course of business of the Underwriter to enter into this type of underwriting arrangement.

Conditions of the Open Offer and the Underwriting Agreement

The Open Offer and the Underwriting Agreement are each conditional upon:

- (a) the passing by the Shareholders (other than those persons, if any, who are required to abstain from voting in favour under the Listing Rules) at the SGM of an ordinary resolution approving the Offer Shares under the Open Offer;
- (b) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date;
- (d) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) the listing of and permission to deal in all the Offer Shares;

- (e) the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms at or before the Latest Time for Termination;
- (f) fulfillment of the obligations of Mr. Eav under the Undertaking Letter; and
- (g) trading in the Shares on the Stock Exchange not being suspended for more than five consecutive business days at any time prior to the Latest Time for Termination (excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer).

Conditions in (a) to (d) are not waivable by any party under the terms of the Underwriting Agreement. In the event that conditions (a) to (g) (inclusive) have not been satisfied or waived (if applicable) on 31st October 2007 (or such other date as the Underwriter may agree with the Company in writing), the Open Offer and the Underwriting Agreement will not proceed.

Termination of the Underwriting Agreement

The Underwriter reserves the right to terminate the arrangements set out in the Underwriting Agreement. If at any time at or prior to the Latest Time for Termination:

- (a) the Underwriter shall become aware of the fact that, or shall, in its reasonable opinion, believe that, any of the warranties of the Company set out in the Underwriting Agreement was untrue, inaccurate misleading or breached, and in each case the same represents or is likely to represent (in the reasonable opinion of the Underwriter) a material and adverse change in the business, financial or trading position or prospects of the Group as a whole or is otherwise likely to have a material and adverse effect on the Open Offer; or
- (b) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;
- (c) (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic, currency, epidemic or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict);
- (iii) any change in local, national or international equity securities or currency markets (including but without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise);

- (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
- (v) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere which shall or may materially and adversely affect the Group or a material proportion of the Shareholders in their capacity as such;
- (vi) any suspension in the trading of the Shares on the Stock Exchange for a continuous period of five business days;
- (vii) any change occurs in the circumstances of the Company or any member of the Group,

which event or events is or are in the reasonable opinion of the Underwriter:-

- (i) likely to have a material adverse effect on the business or financial or trading position or prospects of the Company or the Group; or
- (ii) likely to have a material adverse effect on the success of the Open Offer or the level of Offer Shares taken up; or
- (iii) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Open Offer,

then, and in such case the Underwriter may, in addition to and without prejudice to any other remedies to which the Underwriter may be entitled, by notice in writing given to the Company on or before the Latest Time for Termination terminate the Underwriting Agreement forthwith.

If the Underwriter exercises such right and terminates the Underwriting Agreement, the Open Offer will not proceed.

The terms of the Underwriting Agreement were negotiated between the Company and the Underwriter and Mr. Eav on arm's length basis. Moreover, the rate of the underwriting fee was comparable to the prevailing market rates charged by commercial underwriters to underwrite recent open offers or rights issue by listed issuers of similar size in Hong Kong. The Directors (including the independent non-executive Directors) consider that the terms of the Underwriting Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to the Undertaking Letter, Mr. Eav has also undertaken to the Company that if the Underwriter fails to observe the timely performance of any or all its obligation under the Underwriting Agreement, he will fulfil or procure fulfilment of all of such obligations in compliance with the terms of the Underwriting Agreement.

REASONS OF THE OPEN OFFER AND USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in trading and retailing of watches and property leasing. As announced in the results announcement of the Company dated 12th July 2007, the Company recorded audited consolidated net assets of approximately HK\$120 million as at 31st March 2007 and net losses of approximately HK\$50 million respectively for the year then ended.

The Company has outstanding Loan Notes of approximately HK\$73 million (inclusive of accrued interest and redemption premium) as at 31st March 2007. It is expected the holders of the Loan Notes will, under the terms and conditions of the Loan Notes, request the Company to redeem the Loan Notes on 23rd February 2008. The Directors consider that the Open Offer provides a good opportunity for the Group to capitalise on the recent positive market sentiment to raise funds to strengthen its capital base, provide funds for the redemption of the Loan Notes and improve its financial position to provide flexibility for the Group's future development and expansion of its retail network. It enables the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and participate in the future growth and development of the Company.

Although both open offer and rights issue allow Shareholders to maintain their respective pro rata shareholdings in the Company and participate in the future growth and development of the Company, the Directors consider that Open Offer, which does not require time for trading of nil-paid rights shares and will not incur costs in respect to the trading of nil-paid rights, is more time and cost effective, and is in the interests of the Company and the Shareholders as a whole, to raise capital.

In deciding to dispense with the arrangements for the Qualifying Shareholders to take up Offer Shares in excess of their entitlements under the Open Offer, the Company has considered, inter alia, the benefits to the Company to maintain the current continuity in management and shareholding of the Company under the stewardship of Mr. Eav since the takeover offer by Mr. Eav in November 2006. After arm's length negotiation with the Underwriter, the Company decided that no Qualifying Shareholder is entitled to apply for any Offer Shares which are in excess to its entitlements.

The net proceeds of the Open Offer, after deduction of expenses, are estimated to be approximately HK\$105 million. The Company intends to apply such amount as to (a) approximately HK\$73 million for repayment of the Loan Notes and (b) as to the remaining balance of approximately HK\$32 million as the Group's general working capital. With the proceeds of the Open Offer, the liquidity of the Group would be enhanced for the benefit of the Group and the Shareholders ultimately.

WARNING OF THE RISKS OF DEALINGS IN SHARES AND OFFER SHARES

Pursuant to the expected timetable, the Shares will be dealt with on an ex-entitlement basis from 20th August 2007. If the Underwriter terminates the Underwriting Agreement, or the conditions of the Underwriting Agreement are not fulfilled or waived (other than conditions (a) to (d), the Open Offer will not proceed. Any person dealing in the Shares on an ex-entitlement basis will accordingly bear the risk that the Underwriting Agreement may not become unconditional and the Open Offer may not proceed.

Any Shareholder or other person contemplating selling or purchasing Shares from now up to the date on which the Underwriting Agreement becomes unconditional, who is in any doubt about his/her position is recommended to consult his/her own professional advisers.

Shareholders and interested public are reminded to exercise extreme caution when dealing in the Shares.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The authorised share capital of the Company is currently HK\$100,000,000.00 divided into 1,000,000,000 Shares.

The following table sets out the potential impact of the Open Offer on the issued shareholding structure of the Company:

	Immediately before completion of the Open Offer		Upon completion of the Open Offer		Upon completion of the Open Offer	
	<i>Number of Shares</i>	<i>Approx. percentage (%)</i>	<i>Number of Shares</i>	<i>Approx. percentage (%)</i>	<i>Number of Shares</i>	<i>Approx. percentage (%)</i>
Mr. Eav and his associates (excluding the Underwriter) (Note 1)	191,856,107	57.49	345,340,992	57.49	345,340,992	57.49
The Underwriter	–	–	–	–	113,490,727	18.89
Mr. Eav and his associates	191,856,107	57.49	345,340,992	57.49	458,831,719	76.38
Other Director	393,000	0.12	707,400	0.12	393,000	0.07
Public (Note 2)	141,470,409	42.39	254,646,736	42.39	141,470,409	23.55
Total	333,719,516	100.0	600,695,128	100.00	600,695,128	100.00

Notes:

- As at the date hereof, Mdm. Lam Kim Phung, Chanchhaya Trustee Holding Corporation, (as trustee of Eav An Unit Trust), Century Hero International Limited, Debonair Company Limited, Goodideal Industrial Limited and Hexham International Limited are the associates of Mr. Eav holding 447,000, 32,876,000, 140,907,607, 518,000, 5,547,980 and 708,520 Shares, respectively, totaling 191,856,107 Shares. Mr. Eav is personally holding 10,851,000 Shares. The Underwriter is also an associate of Mr. Eav.
- Save as expressly disclosed above, the above table does not take into account any Shares falling to be taken up by any other particular Shareholders of the public under the Open Offer.

If and when the Shares held by the public falls below 25% as required by the Listing Rules as a result of the Open Offer or taking up of any Offer Shares by the Underwriter, the Stock Exchange has right to suspend trading in the Shares on the Stock Exchange until such percentage is restored to 25% or above under the Listing Rules. To avoid the public float being less than 25% of the issue share capital of the Company upon completion of the Open Offer, the Underwriter shall, before completion of the Open Offer, procure disposal of (or placing, through placing agent) sufficient Shares by the Underwriter or its associates (including Mr. Eav) to independent third parties (being members of the “public” as defined in the Listing Rules) on or off the market before completion of the Open Offer, so that the public float will be no less than 25% of the issue share capital of the Company upon completion of the Open Offer.

The Stock Exchange has stated that if, at the date of completion of the Open Offer, less than 25% of the Shares are held by the public or if the Stock Exchange believes that:

- a false market exists or may exist in the trading in the Shares; or
- there are too few shares of the Shares in public hands to maintain an orderly market,

then it will consider exercising its discretion to suspend trading in the Shares until a sufficient public float is attained.

EXPECTED TIMETABLE

The expected timetable for the Open Offer is set out below:

2007

Despatch of circular and notice of SGM	Wednesday, 8th August
Last day of dealings in Shares on a cum-entitlement basis	Friday, 17th August
First day of dealings in Shares on an ex-entitlement basis	Monday, 20th August
Latest time for lodging transfers of Shares to qualify for the Open Offer	4:00 p.m. on Tuesday, 21st August
Register of members closes (both dates inclusive)	Wednesday, 22nd to Thursday, 30th August
Latest time for return of proxy form for the SGM	10:30 a.m. on Tuesday, 28th August
SGM	10:30 a.m. on Thursday, 30th August
Record Date	Thursday, 30th August

Register of members re-opens	Friday, 31st August
Despatch of the Prospectus Documents	Monday, 3rd September
Latest time for acceptance of, and payment for, Offer Shares	4:00 p.m. on Tuesday, 18th September
Open Offer expected to become unconditional on or before	4:00 p.m. on Monday, 24th September
Announcement of results of the Open Offer on or before	Tuesday, 25th September
Certificates for Offer Shares expected to be despatched on or before	Tuesday, 25th September
Dealings in Offer Shares on the Stock Exchange expected to commence on	9:30 a.m. on Thursday, 27th September

Note: All references to time and dates refer to Hong Kong local time and dates in this announcement.

The above timetable is indicative only, and may be subject to extension or variation (including those arising from issuance of tropical cyclone signal no.8 or black rainstorm warning) as agreed by the Company and the Underwriter pursuant to the Underwriting Agreement. Any changes to the expected timetable may be published and further details will be set out in the Prospectus.

GENERAL

Pursuant to Rules 7.24(5) and 7.26(A)(2) of the Listing Rules, the Open Offer (including the absence of arrangement for the Qualifying Shares to apply for those Offer Shares not taken up) will be put forward to the Independent Shareholders for consideration and, if thought fit, approval by way of ordinary resolution at the SGM. The votes at the SGM will be taken by poll.

Pursuant to Rule 14A.31(3)(c) of the Listing Rules, the issue and allotment of any Offer Shares to the Underwriter under the Underwriting Agreement is exempt from all the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee will be appointed to advise the Independent Shareholders in respect of the Open Offer. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the same. A circular containing, amongst other things, information on the proposed Open Offer, the recommendation of the Independent Board Committee, the advice from the independent financial adviser in relation to the Open Offer and the notice convening the SGM will be despatched to the Shareholders as soon as practicable, and in accordance with the requirements of the Listing Rules, on or before 8th August 2007.

The Company will send the Prospectus Documents to the Qualifying Shareholders only and the Prospectus, for information only, to the Non-Qualifying Shareholders.

SGM

The SGM will be convened to seek the approval from the Independent Shareholders for, *inter alia*, the Open Offer. Mr. Eav and his associates (and including Mr. Eav Ming Keong, Kinson who is son of Mr. Eav and an Executive Director holding 393,000 Shares as at the date of this announcement) shall abstain from voting on the resolution to approve the Open Offer at the SGM.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 17th July 2007 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 18th July 2007.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day”	a day (other than any Saturday, Sunday or day on which a tropical cyclone warning signal no.8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for clearing and settlement business throughout their normal business hours
“Company”	Asia Commercial Holdings Limited, a company incorporated in Bermuda with limited liability which has its issued shares listed on the Stock Exchange
“Committed Shares”	153,484,885 Offer Shares, representing the full entitlements of Mr. Eav and his relevant associates under the Open Offer, to be taken up pursuant to the Undertaking Letter
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee to be formed to give advice to the Independent Shareholders in respect of the Open Offer
“Independent Shareholders”	Shareholders (other than Mr. Eav and his associates and Mr. Eav Ming Keong, Kinson (who is son of Mr. Eav and also an Executive Director) who are required to abstain from voting on the Open Offer at the SGM under the Listing Rules)

“Last Trading Day”	Monday, 16th July 2007
“Latest Acceptance Time”	4:00 p.m. (Hong Kong Time) on Tuesday, 18th September 2007 or such other time as the Underwriter may agree in writing with the Company, being the latest time for acceptance of the Offer Shares
“Latest Time for Termination”	4:00 p.m. (Hong Kong time) on the Latest Acceptance Time
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loan Notes”	Swiss Francs 11.8 million 7/8% notes due 2010 issued by the Company in 1994 (with early redemption right exercisable by holders in February 2008)
“Mr. Eav”	Mr Eav Yin, who is holding and interested in (by himself and through his associates) approximately 57.49% of the entire issued share capital of the Company as at the date of this announcement
“Non-Qualifying Shareholders”	Shareholders having addresses as shown on the register of members of the Company at the close of business on the Record Date outside Hong Kong and to whom the Offer Shares may not be lawfully offered without compliance with registration and/or other legal or regulatory requirements
“Offer Share(s)”	new Share(s) to be issued and allotted under the Open Offer
“Open Offer”	the proposed offer of the Offer Shares on the basis of 4 Offer Shares for every 5 Shares held by the Qualifying Shareholders on the Record Date
“Prospectus”	a prospectus of the Company containing details of, among other things, the Open Offer
“Prospectus Documents”	the Prospectus and the provisional allotment letter in relation to the Open Offer
“Prospectus Posting Date”	Monday, 3rd September 2007 or such later date as the Underwriter may agree in writing with the Company
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Thursday, 30th August 2007 or such other date as the Underwriter may agree in writing with the Company for the determination of entitlements of the Shareholders under the Open Offer
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of the Company to consider, among other things, the Open Offer and other related matters required under the Listing Rules

“Shareholder(s)”	holder(s) of the Share(s)
“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
“Subscription Price	subscription price for the Offer Shares, being HK\$0.40 per Offer Share
“Undertaking Letter”	irrevocable undertaking letter dated 16th July 2007 from Mr. Eav to the Company and the Underwriter that, inter alia, Mr. Eav undertook that he will himself take up and procure those of his associates to take up the Committed Shares
“Underwriter”	Eastern Rich Enterprises Limited, a company incorporated in Hong Kong and wholly owned by Mr. Eav.
“Underwriting Agreement”	the underwriting agreement dated 16th July 2007 between the Company and the Underwriter in relation to the underwriting of the Open Offer
“HK\$”	Hong Kong dollars
“%”	per cent.

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

Hong Kong, 17th July 2007

* *For identification purposes only*

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