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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 ADOPTION OF SHARE AWARD PLAN (2010)

The Company proposes to adopt the Plan to award new Shares to selected Eligible Employees of the Group.

The Plan is subject to (a) the passing of the ordinary resolution of the Shareholders in the SGM to approve and adopt the Plan and to authorize the Board to implement the Plan; and (b) the Listing Committee having granted the listing of, and permission to deal in, any Shares to be issued by the Company pursuant to the Awards as may be made under the Plan.

A circular containing further information about the Plan and a notice to convene the SGM to approve the Plan will be despatched to the Shareholders as soon as possible.

PLAN

The Company proposes to adopt the Plan to award new Shares to selected Eligible Employees of the Group.

Purposes of the Plan

The Plan is a ten-year discretionary share award and ownership plan. It is primarily for encouraging or facilitating the holding of Shares by those selected employees of the Group who, as determined by the Board, are eligible to participate in the Plan and to whom new Shares are or will be awarded. If the Plan is adopted, the Directors propose to make use of the Plan to award, that is, to issue and allot, new Shares to them on suitable terms as incentives and rewards for their contribution to the Group.

As only Shares, and not options, will be awarded under the Plan, Chapter 17 of the Listing Rules does not apply to the Plan.

Terms of the Awards and the Award Shares to be issued

The Board may from time to time, at its absolute discretion and subject to such terms and conditions as it may think fit select the Eligible Employees, that is, employees of the Group, who are eligible to participate in the Plan. The selection of the participants and determination of the number of Award Shares which may be awarded to them will be made after assessment of individual performance of the relevant employees and the performance of the Group as a whole. The participants of the Plan are confined to selected employees of the Group, and the Plan does not permit the Company to make any Awards to non-employees.

An Eligible Employee of the Group who accepts or agrees to accept an Award from the Company will become a Plan Employee. The Award comprises a specified number of Award Shares which an individual Plan Employee will become entitled to receive when the Award vests in him.

Apart from Awards made to reward the employees for their distinguished services and contribution made to the Group, the Plan allows, by including in the Awards appropriate vesting conditions, the Board to scale the extent to which the Awards will vest in the employees progressively by reference to, for example, the time period of their services in the Group before the Award Shares may be issued to them, with risk of non-vesting of Awards for early departure. Performance related conditions may also be built in the Awards for appropriate employees, where the vesting of the Award Shares is subject to attainment of pre-determined financial performance and business growth of the Group as a whole and/or specific individual performance conditions of the particular Plan Employees concerned. Given that the vesting periods set for the Awards may be stretched over a number of years (but not exceeding 10 years), the Board retains the right to amend, relax or waive the conditions if there occur any events which render the vesting conditions unfair or impractical having regard to the then circumstances, legal or business unforeseen at the time when the Awards are offered. Whilst there is no vesting condition for the Awards generally, the flexibility afforded by the Plan allows the Board to adapt the structure of such conditions in the proposed Awards to different times and environment during the next 10 years' life of the Plan and to different ranking, calibre and levels of performance of the individual Plan Employees.

No premium or any other payment is required to be paid by the Plan Employees who accept the Awards. The Plan Employees are not required to pay for the subscription of any Award Shares finally allotted and issued to them either. The subscription price for a Share in respect of any Award, being equal to the par value of a Share, will be borne by the member of the Group who is the employer of the Plan Employee or, if it is not permitted under applicable law to do so, by the Company or other member(s) of the Group, out of resources legally permitted and available for such purposes under the law and its constitutional documents.

The Award Shares to be issued under the Plan shall rank *pari passu* in all respects with the existing issued Shares on the date of allotment and will entitle the holders to participate in all dividends and other distributions paid or made on or after the date of allotment of such Award Shares other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment of such Award Shares.

Limit on number of the Award Shares subject to the Plan

The total number of Award Shares which may be issued under the Plan and which may be issued upon the exercise of all options to be granted under all other incentive or option plans (including the Share Option Scheme (2002)) of the Company must not in aggregate exceed 10% of the Shares in issue on the Adoption Date. The 10% limit in the Plan may be refreshed with the approval of the Shareholders in general meeting, such that the total number of Award Shares which may be issued under the Awards made and the exercise of all options to be granted under any other incentive and option plans (including the Share Option Scheme (2002)) of the Company under the 10% limit as refreshed shall not exceed 10% of the Shares in issue as at the date of approval. Awards previously made or options previously granted under the Plan or under any other incentive and option plans (including the Share Option Scheme (2002)) of the Company (including those vested, outstanding, cancelled and lapsed) will not be counted for the purpose of calculating the 10% limit as refreshed.

No Award shall be made or agreed to be made to any Plan Employee which would result in the maximum number of Award Shares which are the subject to the Awards made to such Plan Employee (including any Awards which have vested, lapsed or cancelled) under the Plan in the 12-month period up to and including the date of such Award representing in aggregate over 1% of the Shares in issue as at the date of such Award. The Company may seek separate approval from the Shareholders in general meeting for making Awards beyond the 10% limit or 1% limit set out above provided the Awards in excess of the limit are made only to Plan Employees specifically identified by the Company before such approval is sought.

Where any Award is proposed to be made to a connected person (as defined in the Listing Rules, including any executive Director) of the Company, such Award must first be approved by the independent non-executive Directors and the Company shall also comply with the applicable requirements of Chapter 14A of the Listing Rules in full (including, if necessary, the obtaining of prior approval of the independent Shareholders) in respect of such proposed Award to the connected person.

In any event, the Board shall not make any Award which would result in the total number of Award Shares which are subject to Awards made but not yet vested together with Shares which may be issued upon exercise of all outstanding options granted but yet to be exercised under any other incentive or options plans (including the Share Option Scheme (2002)) of the Company representing in aggregate over 30% of the Shares in issue from time to time.

As at the date of this announcement, the authorized Shares of the Company are 1,000,000,000 Shares of which 600,695,128 Shares are in issue and there is no outstanding option granted under the Share Option Scheme (2002). On the basis of 600,695,128 Shares currently in issue, the maximum number of new Shares which may be issued for the Awards made under the Plan and any other incentive or option plans including the Share Option Scheme (2002) of the Company is 60,069,512 Shares. Other than the Share Option Scheme (2002), the Group has not adopted any share option plan or similar plan or scheme as at the date of this announcement.

Conditions precedent for adoption of the Plan

The Plan is subject to (a) the passing of the ordinary resolution of the Shareholders in the SGM to approve and adopt the Plan and to authorize the Board to implement the Plan; and (b) the Listing Committee having granted the listing of, and permission to deal in, any Shares to be issued by the Company pursuant to the Awards as may be made under the Plan.

The Plan shall be valid and effective upon satisfaction of the above conditions until the end of the Plan Period. No Award shall be offered or made after the expiry of the Plan Period or after the termination of the Plan but the provisions of the Plan shall remain in force to the extent necessary to give effect to any subsisting Award already made prior to the termination but not yet vested.

Application will be made by the Company to the Stock Exchange for listing of, and permission to deal in, Award Shares on the Stock Exchange.

The Directors consider that the terms of the Plan are fair and reasonable and in the interests of the Shareholders as a whole.

A circular containing detailed terms of the Plan and a notice convening the SGM to approve the Plan will be dispatched to the Shareholders as soon as possible.

DEFINITIONS

In this announcement, where the context permits, the following expressions have the meanings ascribed to them set out below:

- “Adoption Date” the date on which the Plan is adopted and approved by the Shareholders;
- “Award” an award of Shares pursuant to the Plan;
- “Award Share” in relation to any Award means a Share to be allotted and issued by the Company pursuant to the terms of the Award and the Plan;

“Board”	the board of Directors or, in the context of the Plan, a duly authorised committee of the board of Directors (to whom the Board delegates powers and authorities for administration of the Plan);
“Company”	Asia Commercial Holdings Limited, an exempted company duly incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company from time to time;
“Eligible Employee”	any employee of the Company or any subsidiary of the Company (whether full time or part time, including any executive Directors and other officers who enter into contract of services with the Company or any subsidiary of the Company) who is eligible, as determined by the Board, to participate in the Plan;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Committee”	has the same meaning ascribed to it in the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange in force for the time being;
“Plan”	the rules of a share award plan entitled “Share Award Plan (2010)” proposed to be adopted by the Company;
“Plan Employee”	any Eligible Employee who has accepted or agreed to accept an Award made or agreed to be made to him by the Company or is holding interest in a subsisting Award for the time being in accordance with the Plan or (where the context so permits) a personal representative(s) of a Plan Employee (being either the executors of his will to whom a valid grant of probate has been made or if he dies intestate the duly appointed administrator(s) of his estate) who has provided to the Board evidence of his appointment as such;

“Plan Period”	the period of ten (10) years after the Adoption Date, subject to earlier termination by the Board or by the Company in general meeting in accordance with the terms of the Plan;
“SGM”	the special general meeting of the Company to be convened to approve the adoption of the Plan;
“Share(s)”	ordinary share(s), currently with par value of HK\$0.10 each, in the share capital of the Company;
“Share Option Scheme (2002)”	the share option scheme adopted by the Company on 20th September 2002 in accordance with the Listing Rules, which is valid for ten (10) years commencing on that adoption date;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

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

Hong Kong, 19th August 2010

As at the date hereof, 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 purposes only*