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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 SUBDIVISION OF SHARES AND CHANGE OF BOARD LOT SIZE

The Board proposes that each of the existing issued and unissued Shares of par value of HK\$0.10 each in the share capital of the Company be subdivided into 5 Subdivided Shares of par value of HK\$0.02 each.

The Share Subdivision is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM, and the Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares.

The Shares are currently traded in board lots of 1,000 Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 5,000 Subdivided Shares.

A circular containing, among other matters, details of the Share Subdivision, the trading arrangements in respect of the Subdivided Shares, and the procedure for the free exchange of the Existing Share Certificates together with a notice of the SGM, will be despatched to the Shareholders as soon as practicable.

PROPOSED SUBDIVISION OF SHARES AND CHANGE OF BOARD LOT SIZE

The Board proposes that each of the existing issued and unissued Shares of par value of HK\$0.10 each in the share capital of the Company be subdivided into 5 Subdivided Shares of par value of HK\$0.02 each. The Share Subdivision will become effective upon the fulfillment of the conditions set out in paragraph headed "Conditions of the Share Subdivision" below.

The Shares are currently traded in board lots of 1,000 Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 5,000 Subdivided Shares. Based on the closing price of HK\$2.33 per Share as quoted on the Stock Exchange as at the date of this announcement, the prevailing board lot value is HK\$2,330 in the board lot size of 1,000 Shares and, based on the theoretical adjusted closing price of the Subdivided Shares with reference to the closing price of HK\$2.33 per Share as at the date of this announcement, the new estimated board lot value would be HK\$2,300 in the new board lot size of 5,000 Subdivided Shares.

The Share Subdivision and the change of board lot size will not result in any changes in the relevant rights of the Shareholders. The Share Subdivision will not result in any odd lots other than those already exist.

SHARE CAPITAL STRUCTURE OF THE COMPANY

As at the date hereof, the authorised share capital of the Company is HK\$100,000,000 divided into 1,000,000,000 Shares, of which 600,695,128 Shares are in issue and fully paid. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$100,000,000 divided into 5,000,000,000 Subdivided Shares, of which 3,003,475,640 Subdivided Shares will be in issue and fully paid, assuming that no further Shares are issued or repurchased after the date hereof.

Upon the Share Subdivision becoming effective, the Subdivided Shares will rank *pari passu* in all respects with each other. The Share Subdivision will not result in any change in relevant rights of the Shareholders.

CONDITIONS OF THE SHARE SUBDIVISION

The Share Subdivision is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the SGM for approving the Share Subdivision; and
- (b) the Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares.

REASONS FOR THE SHARE SUBDIVISION AND CHANGE OF BOARD LOT SIZE

The proposed Share Subdivision will reduce the nominal value and trading price of each Share and increase the total number of shares in issue. The Directors are of the view that the increase in number of the shares of the Company as a result of the Share Subdivision and the estimated decrease in board lot value as a result of the change of board lot size will improve the liquidity in the trading of the Subdivided Shares, thereby enabling the Company to attract more investors and broaden its Shareholders' base.

Other than the expenses incurred by the Company in relation to the Share Subdivision, the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interest of the Shareholders. The Board considers the Share Subdivision to be in the interests of the Company and its Shareholders as a whole.

ADJUSTMENT TO CONVERSION PRICE

As at the date of this announcement, the aggregate outstanding principal amount of the Convertible Notes are HK\$100,800,000, which is convertible into new Shares at the initial Conversion Price of HK\$0.84 per Share. The conditions of the Convertible Notes provide that upon the Share Subdivision being effected, the Conversion Price currently at HK\$0.84 will be proportionately decreased, to the expected price of HK\$0.168 per Subdivided Share. On such basis, full conversion of the HK\$100,800,000 Convertible Notes will result in issue of 600,000,000 new Subdivided Shares. The holders of the Convertible Notes will be notified of the adjusted Conversion Price in due course.

THE SHARE OPTION SCHEME (2002) AND THE PLAN

The Company adopted the Plan at a special general meeting held on 13th September 2010. As at the date of this announcement, there is no outstanding options granted under the Share Option Scheme (2002) and the Company has not made any award of Shares under the Plan since its adoption. Subject to the Share Subdivision becoming unconditional and effective, if the Company grants or issues any options under the Share Option Scheme (2002) or makes any award of Shares under the Plan before the effective date of the Share Subdivision, there will be adjustments to the exercise price and underlying shares of the options and awards, to the extent that they are still outstanding as at such effective date, and confirmations on those adjustments will be issued by the auditors or independent

financial adviser of the Company in accordance with the Listing Rules and the respective rules of the Share Option Scheme (2002) and the Plan. In such eventuality, the Company will comply with the applicable rules in the Listing Rules (including issuance of announcements) and the rules of the Share Option Scheme (2002) and the Plan as and required.

EXPECTED TIMETABLE

The expected timetable relating to the Share Subdivision and the associated trading arrangements are as follows:

	Time	Date
Latest time for lodging forms of proxy for the SGM	10:00 a.m.	Wednesday, 10th November 2010
SGM	10:00 a.m.	Friday, 12th November 2010
Publication of poll results of the SGM		Friday, 12th November 2010
Effective date of the Share Subdivision		Monday, 15th November 2010
Dealings in the Subdivided Shares commence	9:30 a.m.	Monday, 15th November 2010
Original counter for trading in existing Shares in board lots of 1,000 Shares temporarily closes	9:30 a.m.	Monday, 15th November 2010
Temporary counter for trading in board lots of 5,000 Subdivided Shares (in the form of Existing Share Certificates) opens	9:30 a.m.	Monday, 15th November 2010
First day of free exchange of Existing Share Certificates for the New Share Certificates		Monday, 15th November 2010
Original counter for trading in Subdivided Shares in board lots of 5,000 Subdivided Shares (in the form of New Share Certificates) re-opens	9:30 a.m.	Monday, 29th November 2010
Parallel trading in Subdivided Shares (in the form of New Share Certificates and Existing Share Certificates) commences	9:30 a.m.	Monday, 29th November 2010
Temporary counter for trading in board lots of 5,000 Subdivided Shares (in the form of Existing Share Certificates) closes	4:00 p.m.	Friday, 17th December 2010
Parallel trading in Subdivided Shares (in the form of New Share Certificates and Existing Share Certificates) ends	4:00 p.m.	Friday, 17th December 2010
Last day for free exchange of Existing Share Certificates for New Share Certificates		Wednesday, 22nd December 2010

Note: All time and dates refer to Hong Kong local time and dates.

FREE EXCHANGE OF SHARE CERTIFICATES

The Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Friday, 17th December 2010 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the Existing Share Certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for 5 Subdivided Shares and will be exchanged free of charge for the New Share Certificates for Subdivided Shares on any business day from Monday, 15th November 2010 to Wednesday, 22nd December 2010 at the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. After the expiry of such period, Existing Share Certificates will be accepted for exchange only on payment of a prescribed fee of HK\$2.50 (or such higher amount as may, from time to time, be allowed by the Stock Exchange) for each Existing Share Certificate cancelled or each New Share Certificate issued, whichever number of share certificates cancelled or issued is higher. It is expected that the New Share Certificates will be available for collection within a period of 10 business days after the submission of the Existing Share Certificates. The New Share Certificates will be *green* in colour so as to be distinguished from the Existing Share Certificates which are *grey* in colour.

GENERAL

An application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, the Subdivided Shares.

As no Shareholder has material interest in the Share Subdivision, no Shareholder is required to abstain from voting in respect of the proposed resolution to approve the Share Subdivision at the SGM.

A circular containing, amongst other things, further information on the Share Subdivision, the trading arrangements in respect of the Subdivided Shares, and the procedure for the free exchange of the Existing Share Certificates together with a notice convening the SGM, will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

Unless the context requires otherwise, the capitalised terms used herein shall have the following meanings:

"Board"	the board of Directors
"business day"	has the meaning ascribed to it in the Listing Rules
"Company"	Asia Commercial Holdings Limited (stock code: 104), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
"Conversion Price"	the conversion price, presently at HK\$0.84 per Share, at which the outstanding principal amount of a Convertible Note is convertible into new Shares
"Convertible Notes"	the convertible notes in an aggregate principal amount of HK\$100,800,000 issued by the Company on 27th September 2010, as announced in the announcements of the Company dated 31st August 2010 and 27th September 2010
"Directors"	the directors of the Company

"Existing Share Certificate"	existing form of certificate for a Share
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Committee"	has the meaning ascribed to it in the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Share Certificate"	form of certificate of a Subdivided Share
"Plan"	the rules of a share award plan entitled "Share Award Plan (2010)" adopted by the Company at a special general meeting held on 13th September 2010, which is valid for ten (10) years commencing on that adoption date. The terms of which are summarized in the circular of the Company dated 25th August 2010
"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
"SGM"	a special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Subdivision
"Shareholders"	the holders of the Shares
"Shares"	ordinary shares of par value of HK\$0.10 each in the share capital of the Company before the Share Subdivision becoming effective
"Share Subdivision"	the proposed subdivision of each of the existing issued and unissued Shares of par value of HK\$0.10 each in the share capital of the Company into 5 Subdivided Shares of par value of HK\$0.02 each
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subdivided Shares"	ordinary shares of par value of HK\$0.02 each in the share capital of the Company upon the Share Subdivision becoming effective

By order of the Board
ASIA COMMERCIAL HOLDINGS LIMITED
Au Shiu Leung, Alex
Executive Director and Company Secretary

Hong Kong, 18th October 2010

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 purposes only*