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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)

**AMENDMENTS TO THE TERMS OF
THE CONVERTIBLE NOTES**

On 4 April 2011, the Company announced that it had entered into the Supplemental Agreements with the respective holders of the outstanding Convertible Notes to amend certain provisions relating to adjustment of Conversion Price by specifying a specific formula for calculating the extent of adjustment on occurrence of Share Acquisition Event, details of which are set out below in this announcement.

The amendments made under the Supplemental Agreements will not by themselves give rise to any change to the current conversion price of HK\$0.168 per Conversion Share nor the total percentage shareholdings of the holders of the outstanding Convertible Notes in the Company if and when such notes are fully converted. The Board is of the view that the amendments made to the terms of the Convertible Notes under the Supplemental Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTRODUCTION

Reference is made to the announcements dated 31 August 2010 and 27 September 2010 issued by the Company in respect of the placing of the Convertible Notes to placees, who, together with their respective ultimate beneficial owners, are third parties independent of the Company and connected persons of the Company. As at the relevant dates of the Supplemental Agreements and this announcement, the aggregate principal amount of the outstanding Convertible Notes is HK\$59,300,000. The principal amount of the Convertible Notes is convertible into Conversion Shares at the current price of HK\$0.168 per Conversion Share (subject to adjustment) as announced by the Company on 12 November 2010.

On 4 April 2011, the Company announced that it had entered into the Supplemental Agreements with the respective holders of the Convertible Notes to amend the terms of the outstanding Convertible Notes as described below.

AMENDMENTS TO THE TERMS OF THE CONVERTIBLE NOTES

Pursuant to the existing terms and conditions of the Convertible Notes, the Conversion Price is subject to adjustment in certain events including, among other things, share consolidation, share subdivision, capitalization issue, capital distribution and rights issue and other share or equity derivative issues.

Of such provisions, it was originally provided that if and whenever the Company shall issue Shares for the acquisition of asset at a total effective consideration per Share which is less than 95 per cent of the market price per Share at the date of the announcement of the terms of such issue ("Share Acquisition Event"), the Conversion Price shall be adjusted in such manner as may be determined by an approved merchant bank or the auditor of the Company, such adjustment to become effective on the date of issue. For such purposes, "total effective consideration" shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue, and the "total effective consideration per Share" shall be the said total effective consideration divided by the number of Shares issued.

Pursuant to the amendments made by the Supplemental Agreements, the engagement of an approved merchant bank or the auditor of the Company to determine the manner of adjustment is replaced by a new specific formula to calculate the adjustment to the Conversion Price if a Share Acquisition Event occurs. Under the new formula, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of announcement of the acquisition by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the total effective consideration (calculated in the same manner as in the previous adjustment provision mentioned above) for the issue would purchase at such market price per Share at the date of such announcement of the acquisition and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued in connection with such acquisition. The formula adopted is drawn from the similar formula in the existing adjustment provision in the Convertible Notes where the consideration for issuance of new Shares is cash instead of asset and notwithstanding the provision of such formula, any adjustment made to the Conversion Price shall still be certified in writing either by the auditor of the Company for the time being or by an approved merchant bank.

REASONS FOR THE AMENDMENTS

Previously, occurrence of a Share Acquisition Event will lead to adjustment to the Conversion Price but the manner, and extent, of adjustment is not governed by a specific formula but in such manner as the approved merchant bank or the auditor of the Company may deem fit. The amendments made to the terms of the Convertible Notes provide certainty to the mechanism of adjustment in the event of occurrence of a Share Acquisition Event and the mechanism is consistent with the existing formula adopted for issuance of new Shares for cash, instead of asset, under the same set of circumstances, that is, where the total effective consideration per Share in cash is less than 95 per cent of the then market price per Share.

The amendments made under the Supplemental Agreements were negotiated between the Company and the holders of the outstanding Convertible Notes, all of them are the original placees who first acquired them at issuance. They, together with their respective ultimate beneficial owners, are third parties independent of the Company and connected persons of the Company.

The amendments made under the Supplemental Agreements will not by themselves give rise to any change to the current conversion price of HK\$0.168 per Conversion Share nor the total percentage shareholdings of the holders of the outstanding Convertible Notes in the Company if and when such notes are fully converted. Currently, the Group does not have in place or present intention to undertake any transaction involving Share Acquisition Event.

Taking into account the fact that the amendments would provide certainty to the mechanism of adjustment in the event of occurrence of a Share Acquisition Event and that the mechanism is consistent with the existing formula adopted for issuance of new Shares for cash instead of asset, the Board is of the view that the amendments made to the terms of the Convertible Notes under the Supplemental Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

"Board"	board of Directors of the Company
"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
"connected person"	has the meaning ascribed to it under the Listing Rules
"Conversion Price"	the price at which the outstanding principal amount of the Convertible Notes is convertible into Conversion Shares, currently being HK\$0.168 per Conversion Share
"Conversion Shares"	new Shares falling to be issued and credited as fully paid upon the exercise of the conversion rights attaching to the Convertible Notes
"Convertible Notes"	notes, currently in an aggregate principal amount of HK\$59,300,000, created and issued by the Company, the outstanding principal amount of which Convertible Notes are convertible into Conversion Shares
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"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 Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Share Acquisition Event"	has the same meaning ascribed in the second paragraph of the section headed "Amendments to the terms of the Convertible Notes" in this announcement
"Share(s)"	ordinary share(s), currently of par value of HK\$0.02 each, in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Supplemental Agreements"

the supplemental agreements of 31 March 2011 between the Company and the holders of the outstanding Convertible Notes to effect the amendments to the terms therein as described in this announcement

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

Hong Kong, 4 April 2011

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*