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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
ACQUISITION OF PROPERTY IN SHANGHAI**

On 6th May 2011, the Group, through the Purchaser, entered into the Property Acquisition Agreement with the Vendor for acquisition of the Property. The Purchase Price for the Property is RMB39,940,880 (approximately HK\$47.93 million).

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE PROPERTY ACQUISITION AGREEMENT

The Purchaser entered into the Property Acquisition Agreement dated 6th May 2011 with the Vendor for acquisition of the Property on the following material terms.

Parties:

The Vendor and the Purchaser are the parties to the Property Acquisition Agreement. The Purchaser is an indirect wholly owned subsidiary of the Company. The Vendor is a limited liability company in the PRC and the property developer of Honi International Plaza in which the Property is situated.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons and the principal business of the Vendor is property development.

Property to be acquired:

The Property comprises Units 2001 and 2002, 20/F, Honi International Plaza, No. 199 Chengdu Beilu, Shanghai, the PRC. The Property is for office use. The total gross floor area is about 713.23 square meters. The Property will be sold to the Purchaser free from mortgages, encumbrances, third party interests and tenancies.

Consideration

The Purchase Price for the Property is RMB39,940,880 (approximately HK\$47.93 million), equivalent to RMB56,000 (approximately HK\$67,200) per square meter. It was determined by the parties after arm's length negotiations, and was agreed to by the Group with reference to the prevailing market values of comparable properties in the same location.

The Purchase Price will be settled in cash by two installments of RMB20,940,880 (approximately HK\$25.13 million) and RMB19,000,000 (approximately HK\$22.80 million) respectively. The Group will fund the first installment out of its own internal resources, and intend to arrange for financing of the second installment from loans from financial institution to be secured by mortgage of the Property. A sum of RMB1 million (approximately HK\$1.2 million) had been paid by the Purchaser as deposit and part payment of the first installment of the Purchase Price. The remaining balance of the first installment will be paid to the Vendor within two working days after the date of the Property Acquisition Agreement.

The payment of the second installment to be made out of proceeds of the mortgage loan granted by the relevant financial institution to the Purchaser shall not be later than three working days after the new real estate ownership certificate of the Property has been issued and the mortgage of the Property in favour of the financial institution has been duly registered as provided in the Property Acquisition Agreement. Any shortfall between the loan proceeds granted and the second installment will be made up by the Purchaser, out of internal resources of the Group.

Transfer of the Property

The relevant real estate registration procedures for the transfer of the Property and issue of new real estate ownership certificate to the Purchaser or its mortgagee under the Property Acquisition Agreement will be carried out in accordance with the law and regulations in the PRC. The Company expects that it will occur in or about May 2011.

REASONS FOR, AND BENEFITS OF, THE PROPERTY ACQUISITION

The Group is principally engaged in trading and retailing of watches and property leasing. The Property is intended to be used as office of the Group for business in the PRC. Its existing corporate office in Shanghai current on a lease from third party will be relocated to the Property. With this Property Acquisition, the Group will have a permanent business establishment in Shanghai and facilitate its business expansion in this area.

The Directors (including the independent non-executive Directors) consider the terms of the Property Acquisition Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios in respect of the Property Acquisition is above 5% and all of these ratios are below 25%, the Property Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

"Board"	the 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(s)"	has the meaning ascribed to it under the Listing Rules
"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 PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macau Special Administrative Region of the PRC
"Property"	上海市成都北路 199 號「恒利國際大廈」20 層 2001 及 2002 室 (Units 2001 and 2002, 20/F, Honi International Plaza, No. 199 Chengdu Beilu, Shanghai Municipality**)
"Property Acquisition"	the acquisition of the Property by the Purchaser pursuant to the Property Acquisition Agreement
"Property Acquisition Agreement"	the two agreements for the sale of commodity property in Shanghai Municipality (denoted as「上海市商品房出售合同」) dated 6th May 2011 and entered into between the Purchaser and the Vendor in relation to the Property Acquisition
"Purchase Price"	RMB39,940,880 (approximately HK\$47.93 million), being the total purchase price for the Property
"Purchaser"	冠亞名表城（上海）貿易有限公司 (Asia Commercial Time City (Shanghai) Trading Company Limited**), an indirect wholly owned subsidiary of the Company incorporated in the PRC and is principally engaged in watch trading
"PRC"	the People's Republic of China excluding, for the purpose of this announcement, Taiwan, Hong Kong and Macau
"RMB"	Renminbi Yuan, the lawful currency of the PRC

"Shareholder(s)"	registered holder(s) of share(s) in the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	上海飛騁房地產有限公司, a limited liability company in the PRC

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

Hong Kong, 6th May 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*

*** The unofficial English translations or transliterations of Chinese names are for identification purpose only.*

**** For the purpose of this announcement, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 = HK\$1.20.*