
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, certified public accountant or other professional adviser.

A copy of this prospectus, having attached thereto with the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this prospectus, has been registered as required by Section 342C of the Companies Ordinance. Neither the Securities and Futures Commission of Hong Kong nor The Stock Exchange of Hong Kong Limited nor the Registrar of Companies in Hong Kong take any responsibility as to the contents of this prospectus. A copy of this prospectus will, as soon as reasonably practicable, be filed with the Registrar of Companies in Bermuda in compliance with the Companies Act. The Registrar of Companies in Bermuda and the Bermuda Monetary Authority take no responsibility for the contents of any of these documents.

Dealings in the Shares and the Rights Shares in their nil-paid form and fully-paid form may be settled through CCASS and you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, certified public accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.



ASIA COMMERCIAL HOLDINGS LIMITED

冠亞商業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 104)

RIGHTS ISSUE OF 1,025,149,830 RIGHTS SHARES IN THE PROPORTION OF THREE RIGHTS SHARES FOR EVERY ONE CONSOLIDATED SHARE HELD ON THE RECORD DATE AT HK\$0.20 PER RIGHTS SHARE

Financial adviser to the Company



SOMERLEY LIMITED

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Wednesday, 30 January 2013. The procedure for acceptance and transfer of the Rights Shares are set out in the paragraph headed "Procedure for acceptance and payment or transfer" on pages 12 and 13 of this prospectus.

The Shares have been dealt in on an ex-rights basis from Wednesday, 9 January 2013. Dealings in the Rights Shares in their nil-paid form will take place from Friday, 18 January 2013 to Friday, 25 January 2013 (both days inclusive). It is expected that the conditions referred to in the paragraph headed "Conditions of the Rights Issue" in this prospectus are to be fulfilled on or before 8:00 a.m. on Friday, 8 February 2013. If the conditions referred to in that paragraph are not fulfilled, the Underwriting Agreement shall terminate and the Rights Issue will not proceed. Any person contemplating buying or selling Shares from the date of this prospectus and up to the date on which all the conditions of the Rights Issue are fulfilled and any dealings in the Rights Shares in their nil-paid form from Friday, 18 January 2013 to Friday, 25 January 2013 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its own professional adviser.

The Shareholders and potential investors of the Company should note that the Underwriting Agreement contains provisions entitling the Underwriter by notice in writing to the Company at any time prior to the Latest Termination Time to terminate its obligations under the Underwriting Agreement on the occurrence of certain events including force majeure. These events are set out under the paragraph headed "Termination of the Underwriting Agreement" on page 2 of this prospectus. Upon the delivery of the notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and neither party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the expenses in connection with the Rights Issue. If the Underwriter exercises such right, the Rights Issue will not become unconditional and will not proceed.

* for identification only

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE	1
TERMINATION OF THE UNDERWRITING AGREEMENT	2
DEFINITIONS	3
LETTER FROM THE BOARD	8
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II – UNAUDITED FINANCIAL INFORMATION OF THE GROUP	II-1
APPENDIX III – GENERAL INFORMATION	III-1

EXPECTED TIMETABLE

Expected timetable for the Rights Issue is set out below:–

Events	Time and date
Despatch of the Prospectus Documents	Wednesday, 16 January 2013
First day of dealings in nil-paid Rights Shares	Friday, 18 January 2013
Latest time for splitting of the nil-paid Rights Shares	4:00 p.m. on Tuesday, 22 January 2013
Last day of dealings in the nil-paid Rights Shares.	Friday, 25 January 2013
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 30 January 2013
The Latest Termination Time	6:00 p.m. on Monday, 4 February 2013
Announcement of results of acceptance of the Rights Issue	Wednesday, 6 February 2013
Despatch of certificates for the fully-paid Rights Shares on or before	Thursday, 7 February 2013
Commencement of dealings in the fully-paid Rights Shares	9:00 a.m. on Friday, 8 February 2013

All times and dates in this prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

Note: The latest time for acceptance of and payment for the Rights Shares will not take effect if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- (1) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of and payment for the Rights Shares. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (2) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of and payment for the Rights Shares. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take effect at 4:00 p.m. on Wednesday, 30 January 2013, the dates mentioned above may be affected. The Company will notify Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter reserves the right, to terminate the Underwriting Agreement, prior to the Latest Termination Time, if any of the below occurs prior to the Latest Termination Time:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that, any of the warranties contained in the Underwriting Agreement is untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or
- (b)
 - (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) any change in local, national or international financial, political, industrial or economic conditions;
 - (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;
 - (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
 - (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange; or
 - (vi) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere,

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

- (1) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (2) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares “taken up”; or
- (3) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

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 to the Company terminate the Underwriting Agreement.

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and neither it nor the Company shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not become unconditional and therefore will not proceed.

DEFINITIONS

In this prospectus, the following expressions shall have the following meanings unless the context requires otherwise:

“2010 Share Award Plan”	the share award plan approved by the Shareholders on 13 September 2010, being the only share option or incentive scheme of the Company subsisting for the time being (but no award has been made by the Company since its adoption)
“acting in concert”	has the meaning ascribed thereto under the Hong Kong Code on Takeovers and Mergers
“Announcement”	the announcement of the Company dated 27 November 2012 in relation to, among other things, the Capital Reorganisation and the Rights Issue
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Bye-laws”	the bye-laws of the Company from time to time
“Capital Reorganisation”	the Share Consolidation and the increase in the authorised share capital of the Company from HK\$100,000,000 divided into 500,000,000 Consolidated Shares with par value HK\$0.20 each to HK\$500,000,000 divided into 2,500,000,000 Consolidated Shares with par value HK\$0.20 each, which became effective on Tuesday, 8 January 2013
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 18 December 2012 in relation to, among other things, the Capital Reorganisation and the Rights Issue
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Asia Commercial Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange

DEFINITIONS

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consolidated Share(s)”	share(s) of par value of HK\$0.20 each in the share capital of the Company
“Convertible Notes”	the 3% convertible notes of the Company due on 26 September 2013 with the outstanding principal amount of HK\$31,300,000 as at the Latest Practicable Date
“Covenhills”	Covenhills Limited, a substantial Shareholder as at the Latest Practicable Date
“Director(s)”	the director(s) of the Company
“Eav Family”	Mr. Eav, his spouse and their children, namely, Mr. Henry Duong and Mr. Kinson Eav
“Excluded Shareholder(s)”	the Overseas Shareholder(s) who the Directors, after making enquiries, prior to 4:30 p.m. on Thursday, 10 January 2013 but in any event before the Record Date, regarding the legal restrictions, if any, under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in the place where the Overseas Shareholder(s) resides, consider it necessary or expedient not to offer them the Rights Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Branch Share Registrar”	Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Irrevocable Undertaking(s)”	the irrevocable undertaking(s) given by Mr. Eav, Mr. Henry Duong and Mr. Kinson Eav to the Company on 27 November 2012 to subscribe for the Rights Shares to which Mr. Eav, Mr. Henry Duong and Mr. Kinson Eav and their respective associates are entitled under the terms of the Rights Issue, the details of which are set out in the paragraph headed “Irrevocable Undertakings from Mr. Eav, Mr. Henry Duong and Mr. Kinson Eav” under the section headed “Underwriting and sub-underwriting arrangements for the Rights Issue” in this prospectus

DEFINITIONS

“Last Trading Day”	Tuesday, 27 November 2012, being the date of entering into the Underwriting Agreement
“Latest Acceptance Date”	Wednesday, 30 January 2013, being the last day for acceptance of and payment for the Rights Shares
“Latest Practicable Date”	11 January 2013, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information for inclusion in this prospectus
“Latest Termination Time”	6:00 p.m. on the third Business Day after the Latest Acceptance Date
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Mr. Eav”	Mr. Eav Yin (alias Duong Khai Nhon), Chairman and an executive Director
“Mr. Henry Duong”	Mr. Duong Ming Chi, Henry, an executive Director and a son of Mr. Eav
“Mr. Kinson Eav”	Mr. Eav Ming Keong, Kinson, an executive Director and a son of Mr. Eav
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company on the Record Date is/are outside of Hong Kong
“PAL(s)”	renounceable provisional allotment letter(s) issued by the Company to the Qualifying Shareholders
“PRC” or “China”	the People’s Republic of China and, for the purpose of this prospectus, excluding Hong Kong, Macau and Taiwan
“Prospectus”	this prospectus
“Prospectus Documents”	the Prospectus and the PAL
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders

DEFINITIONS

“Record Date”	Tuesday, 15 January 2013, the record date to determine entitlements to the Rights Issue
“Rights Issue”	the issue by the Company of 1,025,149,830 Rights Shares at the Subscription Price on the basis of three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date payable in full on acceptance under the terms and conditions as set out in the Underwriting Agreement and this prospectus
“Rights Share(s)”	the new Consolidated Share(s) to be allotted and issued by the Company under the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company convened on Monday, 7 January 2013 at which, among other things, the Capital Reorganisation, the Rights Issue and the transactions contemplated thereunder were approved
“Share(s)”	share(s) of par value of HK\$0.02 each in the share capital of the Company before the Share Consolidation became effective or share(s) of par value of HK\$0.20 each in the share capital of the Company after the Share Consolidation became effective, as the case may be
“Share Consolidation”	the consolidation of every ten (10) issued and unissued shares of par value HK\$0.02 each in the authorised share capital of the Company into one (1) Consolidated Share of par value HK\$0.20 which became effective on Tuesday, 8 January 2013
“Share Option(s)”	the option(s) issued under the share option scheme of the Company which became effective on 20 September 2002 and lapsed on 20 September 2012
“Shareholder(s)”	the holder(s) of the Share(s) or the Consolidated Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price of HK\$0.20 per Rights Share at which the Rights Shares are proposed to be offered for subscription
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Sub-Underwriters”	the sub-underwriters to the Rights Issue, being independent third parties who are independent of and not connected with the Company and its connected persons and/or associates
“Underwriter”	Century Hero International Limited, a company wholly owned by Mr. Eav
“Underwriting Agreement”	the underwriting agreement entered into between the Company and the Underwriter dated 27 November 2012 in relation to the Rights Issue
“Underwritten Shares”	543,194,196 Rights Shares, underwritten by the Underwriter, subject to the terms and conditions of the Underwriting Agreement
“Unvested Share Option(s)”	the Share Option(s) which are unvested as at the Latest Practicable Date
“USA”	United States of America
“Vested Share Option(s)”	the Share Option(s) which are vested as at the Latest Practicable Date
“%”	per cent.

LETTER FROM THE BOARD



ASIA COMMERCIAL HOLDINGS LIMITED

冠亞商業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 104)

Directors:

Executive Directors:

Eav Yin (alias Duong Khai Nhon) (*Chairman*)
Eav Ming Keong, Kinson
Duong Ming Chi, Henry
André Francois Meier

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Independent non-executive Directors:

Lai Si Ming
Wong Wing Yue, Rosaline
Lee Tat Cheung, Vincent

*Head office and principal
place of business:*

19th Floor
9 Des Voeux Road West
Hong Kong

16 January 2013

To the Shareholders,

Dear Sir or Madam,

**RIGHTS ISSUE OF 1,025,149,830 RIGHTS SHARES
IN THE PROPORTION OF THREE RIGHTS SHARES FOR
EVERY ONE CONSOLIDATED SHARE HELD
ON THE RECORD DATE AT HK\$0.20 PER RIGHTS SHARE**

(A) INTRODUCTION

On 27 November 2012, the Board announced that the Company was proposing to raise not less than approximately HK\$205.0 million but not more than approximately HK\$218.0 million before expenses by way of the Rights Issue to the Shareholders. The Rights Issue originally contemplated would involve the issue of not less than 1,025,149,830 Rights Shares and not more than 1,090,037,886 Rights Shares at the Subscription Price of HK\$0.20 per Rights Share on the basis of three (3) Rights Shares for every one (1) Consolidated Share in issue on the Record Date. On the Record Date, there were 341,716,610 Consolidated Shares in issue and therefore the number of the Rights Shares to be issued became 1,025,149,830 Rights Shares.

* For identification only

LETTER FROM THE BOARD

The Capital Reorganisation became effective on 8 January 2013 and the Rights Issue has been approved by the independent Shareholders at the SGM.

The purpose of this prospectus is to provide you with, among other things, further details about the Rights Issue.

(B) THE RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date
Subscription Price	:	HK\$0.20 per Rights Share with par value of HK\$0.20 each
Number of the Consolidated Shares in issue as at the Latest Practicable Date	:	341,716,610 Consolidated Shares
Number of Rights Shares:	:	1,025,149,830 Rights Shares
Enlarged issued share capital upon completion of the Rights Issue:	:	1,366,866,440 Consolidated Shares

The 1,025,149,830 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 3 times of the existing issued share capital of the Company and 75% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue (assuming no new Shares are issued except pursuant to the Rights Issue between the Latest Practicable Date and completion of the Rights Issue).

As at the Latest Practicable Date, save for the outstanding 2,974,400 Vested Share Options (with the rights to subscribe for 2,974,400 Consolidated Shares), 11,897,600 Unvested Share Options (with the rights to subscribe for 11,897,600 Consolidated Shares) and the Convertible Notes (with the right to convert into 18,630,952 Consolidated Shares), the Company has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into the Shares.

Subscription Price

The Subscription Price of HK\$0.20 per Rights Share is payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of 87.5% to the closing price of HK\$1.60 per Share as quoted on the Stock Exchange on the Last Trading Day, after adjusted for the effect of the Share Consolidation;
- (ii) a discount of approximately 87.0% to the average closing price of approximately HK\$1.54 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day, after adjusted for the effect of the Share Consolidation;

LETTER FROM THE BOARD

- (iii) a discount of approximately 87.0% to the average closing price of approximately HK\$1.54 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day, after adjusted for the effect of the Share Consolidation;
- (iv) a discount of approximately 63.6% to the theoretical ex-rights price of approximately HK\$0.55 per Share based on the closing price as quoted on the Stock Exchange on the Last Trading Day, after adjusted for the effect of the Share Consolidation;
- (v) a discount of approximately 69.2% to the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a discount of approximately 85.5% to the unaudited consolidated net tangible asset value per Share of approximately HK\$1.38 (based on the latest published unaudited consolidated net tangible asset value of the Group attributable to the Shareholders of approximately HK\$469.9 million as at 30 September 2012 and 341,716,610 Consolidated Shares in issue as at the Latest Practicable Date).

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the financial performance and underlying value of the Company, the recent market prices of the Shares under the prevailing market conditions at the date of entering into the Underwriting Agreement and the effect of the Share Consolidation. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date. The Board considers the Subscription Price to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank pari passu with the then existing Shares in issue on the date of allotment and issue of the Rights Shares in all respects. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares.

Qualifying Shareholders

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company as at the close of business on the Record Date.

The Company will send the Prospectus Documents to the Qualifying Shareholders on Wednesday, 16 January 2013. The Company will send only the Prospectus to the Excluded Shareholders for information purpose on the same date.

LETTER FROM THE BOARD

Excluded Shareholders

The Prospectus Documents are not registered or filed under the applicable securities legislation of any jurisdictions other than Hong Kong and Bermuda. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

There were 17 Overseas Shareholders on the Record Date with registered addresses located in Canada, Macau, Malaysia, New Zealand, the United Kingdom and the USA. The Directors have made enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory bodies or stock exchanges. Having made enquiries regarding the legal restrictions under the laws of Canada, Macau, Malaysia, New Zealand, the United Kingdom and the USA and the requirements of the relevant regulatory bodies or stock exchanges, the Directors are of the view that it is necessary and expedient to exclude the Overseas Shareholders in Canada, New Zealand and the USA and such Overseas Shareholders will be regarded as Excluded Shareholders pursuant to Rule 13.36(2)(a) of the Listing Rules as the offering of the Rights Shares to them would, or might, in the absence of compliance with registration or other special formalities, be unlawful or impracticable and the cost to be incurred would be burdensome to outweigh the practical benefits to the relevant Overseas Shareholders and the Company, if the Rights Shares are to be offered in these jurisdictions. The Company has sent a copy of the Prospectus to each of the Excluded Shareholders for information only, but not the PAL.

Having made enquiries regarding the legal restrictions under the laws of Macau, Malaysia and the United Kingdom and the requirements of the relevant regulatory body or stock exchanges, the Directors have been advised by their legal advisers that there are no specific legal restrictions and/or regulatory requirements applicable in Macau, Malaysia or the United Kingdom in terms of offering the Rights Shares with respect to the Rights Issue to the Overseas Shareholders with registered addresses in these jurisdictions. In view of this, the Directors have decided to extend the Rights Issue to the Overseas Shareholders whose registered addresses are in Macau, Malaysia and the United Kingdom. Accordingly, such Overseas Shareholders together with the Shareholders with registered addresses in Hong Kong are Qualifying Shareholders.

No action has been taken to permit the offering of the Rights Shares, or the distribution of this prospectus or the PAL, in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving a copy of the Prospectus or the PAL in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements.

It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of the Prospectus or the PAL outside Hong Kong and wishing to take up the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. The Company will not be responsible for verifying the legal qualification of such Overseas Shareholders and/or residents in such territory or jurisdiction, thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of such territory or jurisdiction by any such Overseas Shareholders and/or residents, the Overseas Shareholders and/or residents shall be responsible

LETTER FROM THE BOARD

to compensate the Company for the same. The Company shall not be obliged to issue the nil-paid Rights Shares or fully-paid Rights Shares to any such Overseas Shareholders and/or residents, if at the Company's absolute discretion issuing the nil-paid Rights Shares or fully-paid Rights Shares to them does not comply with the relevant laws of such territory or jurisdiction. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional advisers. For the avoidance of doubt, neither Hong Kong Securities Clearing Company Limited nor HKSCC Nominees Limited is subject to any of the representations and warranties.

Arrangements will be made for as much as possible of the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, to be sold as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of HK\$100 or more will be paid pro rata (but rounded down to the nearest cent) to the relevant Excluded Shareholders in Hong Kong dollars. The Company will retain individual amounts of less than HK\$100 for its own benefit.

Fractional entitlement to the Rights Shares

On the basis of provisional allotment of three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Procedure for acceptance and payment or transfer

For each Qualifying Shareholder, a PAL is enclosed with this prospectus which entitles Qualifying Shareholders to subscribe for the number of the Rights Shares shown therein. If Qualifying Shareholders wish to exercise their rights to subscribe for all the Rights Shares specified in the enclosed PALs, Qualifying Shareholders must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Hong Kong Branch Share Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by not later than 4:00 p.m. on Wednesday, 30 January 2013. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to **"Asia Commercial Holdings Limited – Rights Issue Account"** and crossed **"Account Payee Only"**.

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Hong Kong Branch Share Registrar by not later than 4:00 p.m. on Wednesday, 30 January 2013, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If Qualifying Shareholders wish to accept only part of their provisional allotment, to transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them or to transfer their rights to more than one person, the entire original PALs must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Tuesday, 22 January 2013 to the Hong Kong Branch Share Registrar which will cancel the original PALs and issue new PALs in the denominations required. The new PALs will be available for collection at the office of the Hong Kong Branch Share Registrar during normal business hours after 9:00 a.m. on the second Business Day after the surrender of the original PALs. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of the rights to subscribe for the Rights Shares.

LETTER FROM THE BOARD

The PAL contains the full information regarding the procedure to be followed if Qualifying Shareholders wish to accept only part of their provisional allotment or if they wish to renounce all or part of their provisional allotment.

All cheques and banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Completion and return of the PAL together with a cheque or banker's cashier order in payment for the Rights Shares accepted will constitute a warranty by the applicant that the cheque or banker's cashier order will be honoured on first presentation. If any cheque or banker's cashier order is dishonoured on first presentation, the PAL is liable to be rejected, and in that event the provisional allotment and all rights given pursuant to it will be deemed to have been declined and will be cancelled. No receipt will be issued in respect of any application received.

If the conditions of the Rights Issue are not fulfilled by the Latest Termination Time, the Rights Issue will not proceed and the application monies, without interest, will be returned to the applicants by means of cheques crossed "**Account Payee Only**" to be despatched by ordinary post to their registered addresses and, in the case of joint applicants, to the registered address of the applicant whose name first appears on the register of members of the Company or the transfer form at the risk of such applicants on or before Thursday, 7 February 2013.

Application for excess Rights Shares

The Company has decided that no excess applications will be available for the Qualifying Shareholders to make applications to subscribe for any Rights Share provisionally allotted but not taken up by the allottees (or their renounees) having considered that each Qualifying Shareholder will be given an equal and fair opportunity to participate in the Company's future development by subscribing for his/her/its proportionate entitlement under the Rights Issue and there will be dealing of nil-paid Rights Shares on the Stock Exchange.

The Rights Shares provisionally allotted but not taken up by the Qualifying Shareholders (or their renounees) are underwritten by the Underwriter as described in the section headed "Underwriting and sub-underwriting arrangements for the Rights Issue" below. As at the Latest Practicable Date, save for the Irrevocable Undertakings given by Mr. Eav, Mr. Henry Duong and Mr. Kinson Eav to take up all the Rights Shares to be offered to them and their respective associates under the Rights Issue, the Board has not received any information from any substantial Shareholders of their intention to take up the Rights Shares allotted or to be provisionally allotted to them.

Application for listings

The Company has applied to the Listing Committee for the listings of, and permission to deal in, the Consolidated Shares, the Rights Shares in both nil-paid and fully-paid forms. The nil-paid Rights Shares shall have the same board lot size as the Consolidated Shares, i.e. 5,000 Consolidated Shares in one board lot.

LETTER FROM THE BOARD

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares (in both nil-paid and fully-paid forms) on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second business day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Rights Shares in their nil-paid and fully-paid forms will be subject to the payment of stamp duty and other applicable fees and charges in Hong Kong.

Share certificates for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by Thursday, 7 February 2013 by ordinary post at their own risk. One share certificate will be issued for all the fully-paid Rights Shares allotted to an applicant.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealings in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Excluded Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, the Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following being fulfilled or waived:

- (a) the publication of the Announcement by the Company in accordance with the Listing Rules on the date of the Underwriting Agreement or as soon as practicable in compliance with the Listing Rules;
- (b) the despatch of the Circular by the Company to the Shareholders by the date of despatch of the Circular and convening the SGM on the date of SGM;
- (c) the Capital Reorganisation having been duly approved by way of ordinary resolution(s) passed by the Shareholders (other than those Shareholders, if any, who are required to abstain from voting) at the SGM on the date of SGM (and become effective not later than the first day of dealings in nil-paid Rights Shares on the Stock Exchange) in accordance with the Listing Rules, the Bye-laws and the applicable law;

LETTER FROM THE BOARD

- (d) the Rights Issue (and the transactions contemplated thereunder) having been duly approved by way of ordinary resolution(s) passed by the Shareholders (other than those Shareholders, if any, required to abstain from voting) at the SGM, in accordance with the Listing Rules, the Bye-laws and the applicable law;
- (e) the Prospectus (with all documents required to be attached thereto by section 342C of the Companies Ordinance) and the PAL (all having been duly authorised for registration by the Stock Exchange and certified by any 2 Directors or their respective authorised agents) having been delivered to the Registrar of Companies in Hong Kong for registration in compliance with the Companies Ordinance on or before the date of the Prospectus;
- (f) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the date of the Prospectus;
- (g) the Listing Committee granting or agreeing to grant (subject to allotment) the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms), either unconditionally or subject to such conditions as the Underwriter may in its absolute discretion accept and the satisfaction of such conditions (if any and where relevant) before 8:00 a.m. on the first date of dealings in nil-paid Rights Shares and not having withdrawn or revoked such listing and permission before 8:00 a.m. on the first date of dealings in the Rights Shares;
- (h) the Irrevocable Undertakings having been duly complied with in all respects;
- (i) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof; and
- (j) the Shares and, in relation to any time after the Capital Reorganisation has taken effect, the Consolidated Shares remaining listed on the Stock Exchange at all times prior to the first date of dealings in the Rights Shares and the listing of the Shares and, in relation to any time after the Capital Reorganisation has taken effect, of the Consolidated Shares not having been withdrawn and no indication being received before 8:00 a.m. on the first date of dealings in the Rights Shares from the Stock Exchange to the effect that (i) such listing may be withdrawn or objected to (or conditions will or may be attached thereto) and/or (ii), without prejudice to the generality of (i), the Company is considered by the Stock Exchange that it has failed to meet or would no longer be able to meet the minimum public float requirements under the Listing Rules as a result of the Rights Issue or transactions contemplated thereunder or in connection with the Underwriting Agreement or for any other reason attributable to the Company or the Underwriter or the Sub-Underwriters.

LETTER FROM THE BOARD

The conditions above are not waiveable by any parties if and to the extent that it would result in any parties hereto breaching provisions of the Listing Rules, the Bye-laws and other applicable law. If any of the above conditions has not been fulfilled or (where so permitted thereunder) waived by the Underwriter on or before the relevant time/dates and in any event by 28 February 2013 in all respects, the obligations of the Underwriter and the Company shall cease and determine and no party shall have any claim against the other in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save in respect of any antecedent breach of any obligation under the Underwriting Agreement. Neither the Company nor the Underwriter has any intention to waive any of the conditions above. As at the Latest Practicable Date, the abovementioned conditions (a) to (d) and (g) have been fulfilled.

(C) UNDERWRITING AND SUB-UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE

Underwriting Agreement

Date:

27 November 2012

Parties:

- (i) The Company (as issuer); and
- (ii) The Underwriter (as underwriter).

Number of the Underwritten Shares:

Not more than 543,194,196 Rights Shares, being the maximum number of the Rights Shares under the Rights Issue originally contemplated excluding 546,843,690 Rights Shares (assuming all Vested Share Options held by Mr. Eav, Mr. Henry Duong and Mr. Kinson Eav and their respective associates were exercised before the Record Date) undertaken to be subscribed by Mr. Eav, Mr. Henry Duong and Mr. Kinson Eav and their respective associates pursuant to the Irrevocable Undertakings and, to the extent that the Company will maintain the requirement of 25% “public float” under to the Listing Rules, assuming all of the 2,998,400 new Consolidated Shares and 18,630,952 new Consolidated Shares are issued upon the exercise of the outstanding Vested Share Options and the conversion of the outstanding Convertible Notes respectively in full on or prior to the Record Date and based on the 3,417,166,107 Shares in issue as at the date of the Underwriting Agreement (or 341,716,610 Consolidated Shares upon the Share Consolidation becoming effective).

As at the Record Date, there were 341,716,610 Consolidated Shares in issue. Based on (i) the basis of the Rights Issue, i.e. three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date; and (ii) 545,793,690 Rights Shares undertaken to be subscribed by Mr. Eav, Mr. Henry Duong and Mr. Kinson Eav and their respective associates pursuant to the Irrevocable Undertakings and, to the extent that the Company will maintain the requirement of 25% “public float” under the Listing Rules, not more than 479,356,140 Rights Shares will be underwritten by the Underwriter.

LETTER FROM THE BOARD

Underwriting commission:

The Underwriter will charge commission of 2.0% of the aggregate Subscription Price of the Underwritten Shares for which the Underwriter has agreed to subscribe or procure subscription. It is acknowledged that the Underwriter shall pay, out of the above commission, commission to the Sub-Underwriters as agreed amongst themselves.

Subscription Price:

HK\$0.20 per Rights Share

The Underwriter has sole underwriting obligation under the Underwriting Agreement. It is not in the ordinary and usual course of business for the Underwriter to underwrite issues of securities.

Irrevocable Undertakings from Mr. Eav, Mr. Henry Duong and Mr. Kinson Eav

Each of Mr. Eav, Mr. Henry Duong and Mr. Kinson Eav has given the Irrevocable Undertaking to the Company on 27 November 2012 that:

- (1) he will not dispose of or procure the disposal of all or part of his Shares (including the additional Shares as a result of exercise of the Vested Share Options between the date thereof and the Record Date), directly or indirectly through his associates, prior to the Record Date; and
- (2) he will himself, and procure his associates to, take up and pay for, on or before 4:00 p.m. on the Latest Acceptance Date on and subject to the terms of the Prospectus Documents, all the Rights Shares to be offered by the Company in respect of the full entitlements of himself and his associates under the Rights Issue and that such payment will be made to the Company in accordance with the instructions for acceptance contained in the Prospectus Documents.

Underwriting commitment of the Underwriter

The Rights Issue will be fully underwritten by the Underwriter other than the Rights Shares undertaken to be taken up by Mr. Eav, Mr. Henry Duong and Mr. Kinson Eav and their respective associates pursuant to the Irrevocable Undertakings.

Termination of the Underwriting Agreement

The Underwriter reserves the right, to terminate the Underwriting Agreement, prior to the Latest Termination Time, if any of the below occurs prior to the Latest Termination Time:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that, any of the warranties contained in the Underwriting Agreement is untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or

LETTER FROM THE BOARD

- (b) (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) any change in local, national or international financial, political, industrial or economic conditions;
- (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;
- (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
- (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange; or
- (vi) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere,

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

- (1) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (2) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares “taken up”; or
- (3) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

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 to the Company terminate the Underwriting Agreement.

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and neither it nor the Company shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not become unconditional and therefore will not proceed.

Sub-underwriting arrangements

On 27 November 2012, the Underwriter entered into sub-underwriting arrangements with four independent third parties (not being connected persons of the Company) as the Sub-Underwriters primarily to maintain the public float of the Company in compliance with the Listing Rules. Under such sub-underwriting arrangements amongst the Underwriter and the Sub-Underwriters, the Underwriter shall

LETTER FROM THE BOARD

subscribe for (and, amongst the Underwriter and the Sub-Underwriters themselves, be entitled to subscribe in priority to all of the Sub-Underwriters for) the Underwritten Shares not taken up as and to the fullest extent permitted by Rules 8.08(1)(a) and 13.32(1) of the Listing Rules. The Sub-Underwriters agreed to subscribe or procure the subscription of the balance of the Underwritten Shares which are not taken up by the allottees (or their renounees) and the Underwriter. The Underwritten Shares sub-underwritten by the Sub-Underwriters shall not be more than 272,509,472 Rights Shares (representing approximately 25% of the original maximum number of Rights Shares under the Rights Issue at the date of entering into the sub-underwriting arrangement of 1,090,037,886 Right Shares) in total, which are allocated amongst the four Sub-Underwriters themselves in the percentages of 50%; 19%; 19% and 12% respectively in accordance with the provisions of the Underwriting Agreement. As at the Record Date, there were 341,716,610 Consolidated Shares in issue and 1,025,149,830 Rights Shares were to be issued under the Rights Issue. Accordingly, the number of the Underwritten Shares sub-underwritten by the Sub-Underwriters shall be reduced to not more than 256,287,458 Rights Shares, representing approximately 25% of the 1,025,149,830 Rights Shares to be issued under the Rights Issue.

The Sub-Underwriters shall procure that each of the subscribers together with their respective associates will not become a substantial shareholder of the Company or together with their respective parties acting in concert own 30% or more of the issued share capital of the Company immediately after the Rights Issue; and that they shall procure their independent subscribers to take up such number of Rights Shares as are necessary for the Company to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with.

(D) WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is conditional upon the fulfillment or waiver of the conditions set out in the paragraph headed “Conditions of the Rights Issue” under the section headed “(B) Proposed Rights Issue” in this letter. In particular, the Rights Issue is conditional upon, among other things:

- (i) the Listing Committee granting or agreeing to grant (subject to allotment) the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms), either unconditionally or subject to such conditions as the Underwriter may in its absolute discretion accept and the satisfaction of such conditions (if any and where relevant) before 8:00 a.m. on the first date of dealings in nil-paid Rights Shares and not having withdrawn or revoked such listing and permission before 8:00 a.m. on the first date of dealings in the Rights Shares; and**
- (ii) the obligations of the Underwriter under the Underwriting Agreement not being terminated in accordance with its terms (as set out in the paragraph headed “Termination of the Underwriting Agreement” under the section headed “(C) Underwriting and sub-underwriting arrangements for the Rights Issue” in this letter).**

If the conditions of the Rights Issue are not fulfilled or are not waived or if the Underwriter exercises its right to terminate the Underwriting Agreement pursuant to the terms therein, the Rights Issue will not proceed.

LETTER FROM THE BOARD

Any persons contemplating buying or selling Shares from the date of this prospectus up to the date on which all the conditions of the Rights Issue are fulfilled or waived and any dealings in the Rights Shares in their nil-paid form between Friday, 18 January 2013 to Friday, 25 January 2013 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

(E) CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structures of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon completion of the Rights Issue under various scenarios:

	As at the Latest Practicable Date		Upon completion of the Rights Issue assuming (i) full acceptance by the Eav Family under the Rights Issue; and (ii) nil acceptance under Rights Issue by other Shareholders		Upon completion of the Rights Issue assuming (i) full acceptance by the Eav Family and Covenhills under the Rights Issue; and (ii) nil acceptance under Rights Issue by other Shareholders		Upon completion of the Rights Issue assuming full acceptance by all Shareholders under the Rights Issue	
	No. of Consolidated Shares	Approx. % of issued Consolidated Shares	No. of Consolidated Shares	Approx. % of issued Consolidated Shares	No. of Consolidated Shares	Approx. % of issued Consolidated Shares	No. of Consolidated Shares	Approx. % of issued Consolidated Shares
Shareholders								
Eav Family	181,931,230	53.24%	727,724,920	53.24%	727,724,920	53.24%	727,724,920	53.24%
Underwriter	-	-	297,424,910	21.76%	103,382,966	7.56%	-	-
Sub-total	181,931,230	53.24%	1,025,149,830	75.00%	831,107,886	60.80%	727,724,920	53.24%
Covenhills (as a substantial Shareholder)	48,510,486	14.20%	-	-	194,041,944	14.20%	194,041,944	14.20%
Other Directors (Note)	-	-	-	-	-	-	-	-
Sub-total	230,441,716	67.44%	1,025,149,830	75.00%	1,025,149,830	75.00%	921,766,864	67.44%
Public Shareholders								
Covenhills (as a public Shareholder)	-	-	48,510,486	3.55%	-	-	-	-
Other Shareholders	111,274,894	32.56%	111,274,894	8.14%	111,274,894	8.14%	445,099,576	32.56%
Sub-Underwriters	-	-	181,931,230	13.31%	230,441,716	16.86%	-	-
Sub-total	111,274,894	32.56%	341,716,610	25.00%	341,716,610	25.00%	445,099,576	32.56%
Total	341,716,610	100.00%	1,366,866,440	100.00%	1,366,866,440	100.00%	1,366,866,440	100.00%

LETTER FROM THE BOARD

(F) REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The principal activities of the Group are the trading and retailing of watches and property leasing.

The gross proceeds from the Rights Issue are expected to be approximately HK\$205.0 million before expenses. The net proceeds from the Rights Issue, after deducting the expenses of approximately HK\$4.2 million, are estimated to be approximately HK\$200.8 million. The net Subscription Price per Rights Share is expected to be approximately HK\$0.196.

As stated in the interim results announcement of the Company for the six months ended 30 September 2012, the Group's consolidated turnover amounted to approximately HK\$577.5 million, representing an increase of 11% (2011: 12%) from approximately HK\$518.7 million in the same period last year due to the increase in the number of stores in Hong Kong which was slightly offset by the decrease in the Group's turnover in the PRC. The Group's average same store sales for the reporting period decreased by approximately 18% over the corresponding period when excluded existing flagship store in Beijing. Gross profit margin dropped approximately 2.7% to approximately 29.2% due to intense market competition. Distribution costs increased by approximately 51% to HK\$210.1 million mainly due to the increase in rental expenses and depreciation charges incurred in launching the Group's new flagship store in Beijing and new stores in Hong Kong and the PRC. For the six months ended 30 September 2012, the Group reported a net loss attributable to the Shareholders of approximately HK\$67.6 million. Against this background, the Directors consider that it is in the interests of the Group and the Shareholders as a whole to strengthen the Group's financial position by reducing its gearing level and interest expenses and to enlarge its capital base by way of the Rights Issue, which will also enable all Shareholders (other than the Excluded Shareholders) the opportunity to participate and maintain their respective pro-rata shareholding interests in the Company. As such, the net proceeds of the Rights Issue is intended to be applied by the Group towards the repayment of the indebtedness of approximately HK\$110.0 million and the remaining balance for general working capital (mainly to be used in procurement of watch inventories). As set out in the indebtedness statement in appendix I to this prospectus, the Group had outstanding borrowings of approximately HK\$374.8 million as at the date of indebtedness of 7 December 2012 (the "**Indebtedness Date**"). Among the approximately HK\$374.8 million, approximately HK\$138.8 million were due within six months from the date of Indebtedness Date. Among the aforesaid approximately HK\$138.8 million, (i) bank loans of approximately HK\$13.7 million were repaid as at the Latest Practicable Date and HK\$17.5 million will be repayable during the period from 18 January 2013 to 27 February 2013; (ii) bank loans of approximately HK\$18.7 million will be repayable during the period from 28 February 2013 to 29 May 2013; (iii) bank loan of approximately HK\$25.0 million will be repayable on 9 May 2013; (iv) bank loans of approximately HK\$25.2 million were repaid as at the Latest Practicable Date and HK\$37.8 million will be repayable during the period from 2 February 2013 to 4 March 2013 respectively; and (v) the Convertible Notes of approximately HK\$0.9 million was repaid on 31 December 2012. It is expected that approximately HK\$110.0 million from the net proceeds of the Rights Issue will be applied towards the repayment of the aforesaid borrowings of HK\$138.8 million. In addition, it is expected that the Group will apply part of the remaining net proceeds of the Rights Issue to procure additional watch inventories to cope with the demand for (i) sufficient inventories for a new store to be opened in the mid 2013 in Hong Kong; and (ii) peak season's purchase during the Chinese New Year holidays. As the lead-time for purchase order of watch inventories is within weeks, the Company has not yet placed any order for the aforesaid additional inventories as at the Latest Practicable Date.

LETTER FROM THE BOARD

The Directors consider that the terms and conditions of the Rights Issue (and the transactions contemplated thereunder) to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(G) FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has not conducted other equity fund raising exercise in the 12 months immediately preceding the date of the Announcement.

(H) FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The PRC has experienced slowdown in the economy after years of growth. Despite the economic adjustment, the Board believes that there is cautious optimism over China's domestic demand for luxury foreign goods as supported by the Government's continued efforts to grow its domestic consumption and inland economy. The Group's retail strategy is to retain its core presence in China to leverage the consumption demand from super-rich and the emerging middle-class which has been growing in size and wealth, with cautious selection of retail door development in Hong Kong.

The Group has adopted a moderate and prudent approach to develop the Group's retail business outlets in line with market demand in order to maximize the Group's investment returns upon opening of new outlets. An aggressive review and pruning of existing retail stores is being conducted to close down outlets which are below the Group's performance expectation due to change in market demand and soaring rental. Such measures are implemented to enhance the quality of the Group's retail outlets and focus the Group's core strategy on fewer selective niche sites with potential to outperform when the economy regains its momentum. As an incorporated foreign-owned watch retailer in China since 1993, the Group continues to collaborate with leading prestigious Swiss brands to foster win-win business partnership, and enrich its merchandising assortments. The Group has also tightened its inventory control to optimise working capital.

With the completion of the merchandising selection of internationally renowned premier watch brands, the Group's Timecity flagship store in Beijing of approximately 3,000 square meters was opened in December 2011, has shown promising revenue growth. This Beijing store is stepping up its market position and competitiveness as it is leveraging on the Group's customer loyalty program which strengthens progressively since the project kick-off last year, with the coming opening of the VIP lounge in the flagship store.

As the Company believes that Hong Kong will remain a preferable shopping destination for Mainland Chinese visitors, the Group's development strategy is to select strategic prime locations with high pedestrian traffic flow to expand the market share. A prominent site in the renowned shopping area of Canton Road has been secured as the Group's new store is expected to open in mid 2013. The new Canton Road store will offer premier watch brands to capture greater sales from both local shoppers and Mainland Chinese visitors.

The Group is considering proposals to raise fund, being the Rights Issue, in order to enhance the Group's financial strength and provide the working capital for store development needs. As the Group has committed efforts on strengthening management structure and implementing best practices, the Group is paving the way to improve shareholder value after going through a period of internal consolidation and economic challenges.

LETTER FROM THE BOARD

(I) ADJUSTMENTS TO EXERCISE PRICES AND NUMBER OF THE SHARE OPTIONS AND THE CONVERSION PRICE OF THE CONVERTIBLE NOTES

Adjustments to the exercise prices and number of the outstanding Share Options and the conversion price of the Convertible Notes may be required under the relevant terms of the Share Options scheme and the instrument of the Convertible Notes as a result of the Rights Issue. Further announcement will be made in this regard if deemed appropriate and necessary.

(J) ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this prospectus.

Yours faithfully,
For and on behalf of the Board
ASIA COMMERCIAL HOLDINGS LIMITED
CHENG KA CHUNG
Company Secretary

1. FINANCIAL SUMMARY OF THE GROUP

The published audited consolidated financial statements of the Group for the years ended 31 March 2010, 2011 and 2012 are disclosed in the annual reports of the Company for the years ended 31 March 2010 (pages 28 to 102), 2011 (pages 30 to 114) and 2012 (pages 31 to 126). The published unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2012 are disclosed in the interim report of the Company for the six months ended 30 September 2012 (pages 2 to 20). They can be accessed on the website of the Company (www.asiacommercialholdings.com) and the website of the Stock Exchange (www.hkexnews.hk). The said financial statements are hereby incorporated by reference in, and form an integral part of, this prospectus.

2. INDEBTEDNESS

Borrowings

At the close of business on 7 December 2012, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this prospectus, the details of the Group's outstanding borrowings were set out as follows:

		<i>HK\$'000</i>
Bank loans – secured	(a)	176,964
Bank loans – unsecured	(b)	94,481
Loans from a director – unsecured	(c)	71,256
The Convertible Notes	(d)	32,103
		<hr/>
Current portion		374,804
		<hr/>
Total		374,804
		<hr/> <hr/>

- (a) As at the close of business on 7 December 2012, the Group's bank loans of approximately HK\$120,800,000 were secured by (i) the pledges of certain land and buildings, prepaid lease payments, investment properties, inventories and pledged bank deposits; (ii) corporate guarantees given by the Company; (iii) assignment of dividends payable by Asia Commercial Time City (Shanghai) Trading Limited and shareholder's loans of Asia Commercial Time City (Shanghai) Trading Limited advanced or to be advanced by Time City (Hong Kong) Limited; and (iv) assignment of rental income from certain investment properties. In addition, the bank loans of HK\$31,183,000 were guaranteed by the Company and certain subsidiaries of the Group and secured by bank deposits of HK\$3.9 million owned by a director, Mr. Eav. Moreover, the bank loan of HK\$24,981,000 was secured by the pledges of certain land and buildings, prepaid lease payments and investment properties. The effective interest rates (which are also equal to contracted interest rates) on the Group's secured bank loans are ranged from 2.92% to 6.16% per annum.
- (b) As at the close of business on 7 December 2012, the Group's bank loans of approximately HK\$94,481,000 were unsecured. The effective interest rates (which are also equal to contracted interest rates) on the Group's unsecured bank loans are ranged from 6.16% to 6.30% per annum.
- (c) As at the close of business on 7 December 2012, the Group's loans from a director of approximately HK\$71,256,000 were unsecured, bearing interest at the Hong Kong dollar prime rate as quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 1% per annum and repayable on demand.

- (d) As at the close of business on 7 December 2012, the principal amount plus interest payable of the outstanding Convertible Notes was approximately HK\$32,103,000. The Convertible Notes were issued on 27 September 2010, maturing on 26 September 2013, bearing interest at 3% per annum. The Convertible Notes entitle their holders to convert their outstanding principal amounts into new conversion shares at the initial conversion price of HK\$0.84 per conversion share (subject to anti-dilutive adjustment). Pursuant to the terms and conditions of the Convertible Notes, the conversion price of the Convertible Notes was (i) adjusted from HK\$0.84 per conversion share to HK\$0.168 per subdivided share as a result of the share subdivision; and (ii) adjusted from HK\$0.168 per subdivided share to HK\$1.68 per Consolidated Share as a result of the Share Consolidation. The above adjustments took effect from the close of business on Monday, 15 November 2010 and Tuesday, 8 January 2013 respectively. The conversion price will be adjusted upon completion of the Rights Issue.

Save as aforesaid and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business of the Group, as at the close of business on 7 December 2012, the Group did not have any outstanding indebtedness in respect of any loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, finance lease or hire purchases commitments, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, guarantees or other material contingent liabilities.

The Directors have confirmed that, save as disclosed above, there has not been any material change in the indebtedness and contingent liabilities of the Group since 7 December 2012.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into consideration the financial resources available to the Group, including internally generated funds, cash and cash equivalents, the borrowings and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this prospectus in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as disclosed in the Company's announcement dated 16 November 2012 in relation to a profit warning for the Company's interim results for the six months ended 30 September 2012, the Directors confirm that they were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up.

APPENDIX II UNAUDITED FINANCIAL INFORMATION OF THE GROUP

For illustrative purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by the completion of the Rights Issue as if the Rights Issue had been completed on 30 September 2012.

1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is an illustrative and unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company which has been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Rights Issue after the completion of the Share Consolidation as if the Rights Issue had taken place on 30 September 2012. This unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only, and because of its hypothetical nature, may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 30 September 2012 or at any future date.

	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately before completions of the Rights Issue and the Share Consolidation	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completions of the Rights Issue and the Share Consolidation	Unaudited consolidated net tangible assets per Share attributable to owners of the Company immediately before completions of the Rights Issue and the Share Consolidation	Unaudited pro forma adjusted consolidated net tangible assets per Consolidated Share attributable to owners of the Company immediately after completions of the Rights Issue and the Share Consolidation
	<i>HK\$'000</i> <i>(Note 2)</i>	<i>HK\$'000</i> <i>(Note 3)</i>	<i>HK\$'000</i> <i>(Note 4)</i>	<i>HK\$</i> <i>(Note 5)</i>	<i>HK\$</i> <i>(Note 6)</i>
Based on the number of 1,025,149,830 Rights Shares <i>(Note 1)</i> to be issued at a subscription price of HK\$0.20 per Rights Share	469,894	200,857	670,751	0.14	0.49

APPENDIX II UNAUDITED FINANCIAL INFORMATION OF THE GROUP

Notes:

- (1) The number of 1,025,149,830 Rights Shares to be issued under the Rights Issue is based on 341,716,610 Consolidated Shares in issue as at the Latest Practicable Date.
- (2) The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2012 is extracted from the interim report of the Company for the six months ended 30 September 2012 (page 5), which is published on the website of the Stock Exchange (www.hkex.com.hk). There was no intangible asset as at 30 September 2012.
- (3) The estimated net proceeds from the Rights Issue are based on 1,025,149,830 Rights Shares to be issued at the subscription price of HK\$0.20 per Rights Share after deduction of the estimated related expenses of approximately HK\$4,173,000.
- (4) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2012.
- (5) The number of Shares used for the calculation of the unaudited consolidated net tangible assets per Share attributable to owners of the Company as at 30 September 2012 before the Rights Issue and the Share Consolidation is based on 3,417,166,107 Shares of the Company in issue as at 30 September 2012.
- (6) The number of shares used for the calculation of the unaudited pro forma adjusted consolidated net tangible assets per Consolidated Share attributable to owners of the Company immediately after completions of the Rights Issue and Share Consolidation is based on 1,366,866,440 Consolidated Shares (on the basis that there were 341,716,610 Consolidated Shares in issue as at 30 September 2012 and 1,025,149,830 Rights Shares were issued pursuant to the Rights Issue) were in issue upon completions of the Rights Issue and Share Consolidation.

The following is the text of a report, prepared for the sole purpose of incorporation in this prospectus, received from the independent reporting accountants, CCIF CPA Limited, Certified Public Accountants, Hong Kong.

2. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP



CCIF

CCIF CPA LIMITED

9/F Leighton Centre
77 Leighton Road
Causeway Bay Hong Kong

16 January 2013

The Board of Directors
Asia Commercial Holdings Limited
19th Floor
9 Des Voeux Road West
Hong Kong

Dear Sirs,

Asia Commercial Holdings Limited and its subsidiaries Unaudited pro forma financial information

We report on the unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of Asia Commercial Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which has been prepared by the directors of the Company (the “Directors”) for illustrative purposes only, to provide information about how the Rights Issue on the basis of three Rights Shares for every one Consolidated Share held on the record date might have affected the financial information presented, for inclusion in Appendix II to this prospectus dated 16 January 2013. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages II-1 to II-2 of this prospectus.

Respective responsibilities of the directors and reporting accountants

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

APPENDIX II UNAUDITED FINANCIAL INFORMATION OF THE GROUP

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 September 2012 or any future date.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and

APPENDIX II UNAUDITED FINANCIAL INFORMATION OF THE GROUP

- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
CCIF CPA Limited
Certified Public Accountants
Hong Kong
Lam Cheung Shing
Practising Certificate Number P03552

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

2. SHARE CAPITAL

The share capital of the Company as at the Latest Practicable Date after the Capital Reorganisation becoming effective and following completion of the Rights Issue are as follows:

<i>Authorised:</i>		<i>HK\$</i>
2,500,000,000	Consolidated Shares of HK\$0.20 each in issue as at the Latest Practicable Date	500,000,000.00
<hr style="border-top: 3px double #000;"/>		<hr style="border-top: 3px double #000;"/>
<i>Issued and agreed to be issued:</i>		
341,716,610	Consolidated Shares in issue as at the Latest Practicable Date	68,343,322.00
1,025,149,830	Number of Rights Shares to be issued pursuant to the Rights Issue (<i>Note 1</i>)	205,029,966.00
<hr style="border-top: 1px solid #000;"/>		<hr style="border-top: 1px solid #000;"/>
1,366,866,440	Consolidated Shares in issue immediately following issue of the Rights Shares	273,373,288.00
<hr style="border-top: 3px double #000;"/>		<hr style="border-top: 3px double #000;"/>

Notes:

- 1 Based on 341,716,610 Shares in issue as at the Latest Practicable Date on the basis of three (3) Rights Shares for every one (1) Consolidated Share held.
- 2 As at the Latest Practicable Date, save for the outstanding Vested Share Options, the Convertible Notes and the Unvested Share Options, there were no outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares.

All the issued existing Consolidated Shares rank pari passu in all respects including all rights as to dividends, voting and return of capital. All the new Consolidated Shares, when allotted, issued and fully paid, upon completion of the Rights Issue will rank pari passu in all respects with the Consolidated Shares in issue including as regards to all rights as to dividends, voting and return of capital.

The issued Consolidated Shares are listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Consolidated Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange. There is no arrangement under which future dividends are/will be waived or agreed to be waived.

2002 SHARE OPTION SCHEME

On 20 September 2002, the Shareholders approved the adoption of a new share option scheme (the “**2002 Share Option Scheme**”). The purpose of the 2002 Share Option Scheme is to encourage qualifying grantees to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. Qualifying grantees of the 2002 Share Option Scheme mean (i) any employee or any business-related consultant, agent, representative or advisor of the Company or any subsidiary or any affiliate; or (ii) any supplier, agent or consultant who provide goods or services to the Company or any subsidiary or any affiliate; or (iii) any customer of the Company or any subsidiary or any affiliate; or (iv) any business ally or joint venture partner of the Company or any affiliate.

Refreshment of 2002 Share Option Scheme mandate limit (the “**Refreshment**”) and amendment of rules of 2002 Share Option Scheme (the “**Amendment**”) had been approved at the annual general meeting of the Company held on 26 August 2008. Details of the Refreshment and the Amendment were contained in the circular to the Shareholders dated 1 August 2008.

The Company has issued 146,800,000 and 34,170,000 share options to the qualifying grantees to subscribe for ordinary shares of HK\$0.02 each in the share capital of the Company under the 2002 Share Option Scheme on 31 March 2011 and 26 October 2011 of which the exercise prices were HK\$0.394 per share and HK\$0.263 per Share respectively. As of the Latest Practicable Date, the outstanding number of share options was 14,872,000 after the Share Consolidation has become effective on 8 January 2013.

The exercise price of any share option is the highest of (i) the nominal value of a Share; (ii) the closing price of the Share as stated in the daily quotation sheets of the Stock Exchange on the date of grant; and (iii) the average closing price of the Share as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant.

The validity period of share options shall be vested in the grantees over a time period of five years commencing from the date of grant above. For each of such five years, 20% of the share options granted to the grantees will vest. The vested share options shall be valid for a period of ten years from the date of grant and shall lapse at the expiry of the option period.

The total number of Shares available for issue under the 2002 Share Option Scheme, the share award plan approved by the shareholders of the Company on 13 September 2010 and any other share option schemes was 30,034,756 Consolidated Shares (equivalent to 300,347,560 Shares before the Share Consolidation became effective on 8 January 2013) which represented approximately 8.8% of the issued share capital of the Company as at the Latest Practicable Date. In respect of the maximum entitlement of each grantees under the 2002 Share Option Scheme, the number of Shares issued and to be issued upon exercise of the share options granted to each grantees in any 12-month period is limited to 1% of the Company's ordinary shares in issue.

As at Latest Practicable Date, the Directors and employees of the Company had the following interests in share options to subscribe for shares of the Company granted for a nominal consideration under the 2002 Share Option Scheme of the Company. The share options are unlisted. Each share option gives the holder the right to subscribe for one ordinary share of the Company.

Directors	Date of grant	Period during which share options are vested	Period during which share options are exercisable	Exercise price per share (before the Share Consolidation becoming effective)	Exercise price per Consolidated Share (After the Share Consolidation becoming effective) (Note)
Mr. Eav	31 March 2011	30 March 2012 to 30 March 2016	30 March 2012 to 30 March 2021	HK\$0.394	HK\$3.94
Mr. Kinson Eav	31 March 2011	30 March 2012 to 30 March 2016	30 March 2012 to 30 March 2021	HK\$0.394	HK\$3.94
Mr. André Francois Meier	26 Octobr 2011	25 October 2012 to 25 October 2016	25 October 2012 to 25 October 2021	HK\$0.263	HK\$2.63
Mr. Lai Si Ming	31 March 2011	30 March 2012 to 30 March 2016	30 March 2012 to 30 March 2021	HK\$0.394	HK\$3.94
Ms. Wong Wing Yue, Rosaline	31 March 2011	30 March 2012 to 30 March 2016	30 March 2012 to 30 March 2021	HK\$0.394	HK\$3.94
Mr. Lee Tat Cheung, Vincent	31 March 2011	30 March 2012 to 30 March 2016	30 March 2012 to 30 March 2021	HK\$0.394	HK\$3.94
Employees	31 March 2011	30 March 2012 to 30 March 2016	30 March 2012 to 30 March 2021	HK\$0.394	HK\$3.94

Note: Please refer to the announcement of the Company dated 7 January 2013 for the adjustment to the exercise prices from HK\$0.394 and HK\$0.263 per Share to HK\$3.94 and HK\$2.63 per Consolidated Share as a result of the Share Consolidation.

2010 SHARE AWARD PLAN

On 13 September 2010, the Shareholders approved the adoption of the 2010 Share Award Plan. The 2010 Share Award 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. The Directors will make use of the plan to award new Shares to those selected employees of the Group on suitable terms as incentives and rewards for their contribution to the Group.

No award was granted, exercised, cancelled or lapsed up to the Latest Practicable Date.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

In addition to the share options granted under the 2002 Share Option Scheme as disclosed herein, the Company entered into a placing agreement with the placing agent on 31 August 2010, pursuant to which the placing agent conditionally agreed, to procure placees to subscribe for the Convertible Notes issued by the Company in an aggregate principal amount of up to HK\$100,800,000 on a “best-efforts” basis. On 27 September 2010, the Company completed the placing of HK\$100,800,000 Convertible Notes to independent placees. The Convertible Notes carry interest at 3% per annum and the principal amounts of all Convertible Notes shall be due and repayable on the third anniversary of the date of issue. The Convertible Notes entitle their holders to convert their outstanding principal amounts into new conversion shares at the initial conversion price of HK\$0.84 per conversion share (subject to anti-dilutive adjustment). Pursuant to the terms and conditions of the Convertible Notes, the conversion price of the Convertible Notes was adjusted from HK\$0.84 per conversion share to HK\$0.168 per subdivided share as a result of the share subdivision approved by the Shareholders on 12 November 2010 and was further adjusted from HK\$0.168 per subdivided share to HK\$1.68 per Consolidated Share as a result of the Share Consolidation. The above adjustments took effect from the close of business of 15 November 2010 and 8 January 2013 respectively. As of Latest Practicable Date, an aggregate principal amount of HK\$69,500,000 has been converted into Shares.

Save as disclosed herein, the Company had no other outstanding convertible securities, options, warrants or similar rights as at Latest Practicable Date.

3. DIRECTORS’ INTERESTS

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange were as follows:

Long position in the Shares/underlying Shares

Name of Director	Nature of interest	Number of Shares interested/ underlying Shares held	Percentage of issued share capital (%)
Mr. Eav (<i>Note 1</i>)	<i>Note 1</i>	1,267,014,716	370.78
Mr. Kinson Eav (<i>Note 2</i>)	Personal	2,614,800	0.77
Mr. Henry Duong (<i>Note 3</i>)	Personal	4,089,600	1.20
Mr. André Francois Meier (<i>Note 4</i>)	Personal	3,417,000	1.00
Mr. Lai Si Ming (<i>Note 4</i>)	Personal	125,000	0.04
Ms. Wong Wing Yue, Rosaline (<i>Note 4</i>)	Personal	125,000	0.04
Mr. Lee Tat Cheung, Vincent (<i>Note 4</i>)	Personal	125,000	0.04

Notes:

- Among the 1,267,014,716 Shares and underlying Shares in which Mr. Eav was deemed to have interests under the SFO (a) 17,938,900 Shares were personal interest of Mr. Eav of which 1,000,000 underlying Shares were interested as share options, (b) 402,300 Shares were held by Mdm. Lam Kim Phung (spouse of Mr. Eav), (c) 126,816,846 Shares by Century Hero International Limited, (d) 466,200 Shares by Debonair Company Limited, (e) 4,993,182 Shares by Goodideal Industrial Limited, (f) 637,668 Shares by Hexham International Limited, (g) 711,634 Shares by Goodness Management Limited, (h) 29,588,400 Shares by Chanchhaya Trustee Holding Corporation (as a trustee of Eav An Unit Trust), (i) 543,194,196 were Shares in which Century Hero International Limited was deemed to have interests by virtue of its underwriting obligations (in relation to a maximum of 543,194,196 Consolidated Shares) under the Underwriting Agreement and (j) 542,265,390 were underlying Shares in which Mr. Eav was deemed to have interests by virtue of his undertakings pursuant to his Irrevocable Undertaking to take up his pro rata entitlements to the Consolidated Shares under the Rights Issue, in each relevant case after the Share Consolidation becoming effective. Century Hero International Limited, Debonair Company Limited, Hexham International Limited, and Goodness Management Limited are wholly owned and Goodideal Industrial Limited is 87% owned by Mr. Eav. Eav An Unit Trust is a discretionary trust of which Mr. Eav is the founder, the beneficiaries include Mr. Eav, his wife and their children.
- All the 2,614,800 Shares were personal interest of Mr. Kinson Eav of which 750,000 underlying Shares were held under share options, and 1,511,100 were underlying Shares in which Mr Kinson Eav was deemed to have interest by virtue of his undertakings to take up his pro rata entitlements to the Consolidated Shares under the Rights Issue after the Share Consolidation becoming effective.
- All the 4,089,600 Shares were personal interest of Mr. Henry Duong and 3,067,200 were underlying Shares in which Mr Henry Duong was deemed to have interest by virtue of his undertakings to take up his pro rata entitlements to the Consolidated Shares under the Rights Issue after the Share Consolidation becoming effective).
- All the interests are related to the share options held by the respective Directors.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or their respective associates had any interests or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

4. SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, Shareholders (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group and the amount of each of such persons' interest in such securities, together with particulars of any options in respect of such capital, if there are no such interests or short positions:

Name of Shareholder	Note	Number of Shares/ underlying Shares	Approximately percentage of issued share capital (%)
Mdm. Lam Kim Phung	1	1,267,014,716	370.78
Century Hero International Limited	2	670,011,042	196.07
Chanchhaya Trustee Holding Corporation	3	29,588,400	8.66
Covenhills	4	48,510,486	14.20
Lei Shing Hong Investment Limited	5	23,509,800	6.88
Lei Shing Hong Capital Limited	5	23,509,800	6.88
Lei Shing Hong Limited	5	23,509,800	6.88
Lead Star Business Limited	5	23,509,800	6.88
Lau Yu Chak	5	23,509,800	6.88
Get Nice Holdings Limited	6	136,254,736	39.87
Get Nice Incorporated	6	136,254,736	39.87
Get Nice Securities Limited	6	136,254,736	39.87

Notes:

- These shares include 402,300 Shares held by Mdm. Lam Kim Phung and the remaining 1,266,612,416 are Shares and underlying Shares in which Mr Eav, the spouse of Mdm. Lam Kim Phung, had or was deemed to have interests as disclosed in the above section headed "Directors' interests".
- Century Hero International Limited is wholly owned by Mr. Eav. Please refer to the above section headed "Directors' Interests".
- Chanchhaya Trustee Holding Corporation is trustee of Eav An Unit Trust, a discretionary trust, the beneficiaries of which include Mr. Eav, his wife and their children. Please refer to the above section headed "Directors' Interests".
- Covenhills is owned equally by Mr. Leong Lou Teck, Mr. Leong Lum Thye, Miss Leong Yoke Kheng and Mr. Leong Siew Khuen.
- Lei Shing Hong Investment Limited is wholly owned by Lei Shing Hong Capital Limited which in turn is wholly owned by Lei Shing Hong Limited. Lei Shing Hong Limited is 36.57% owned by Lead Star Business Limited which in turn is wholly owned by Mr. Lau Yu Chak.
- Get Nice Securities Limited is wholly owned by Get Nice Incorporated which in turn is wholly owned by Get Nice Holdings Limited. The said 136,254,736 Shares/underlying Shares represent the deemed interests in 136,254,736 Consolidated Shares sub-underwritten by Get Nice Securities Limited under its sub-underwriting agreement made with Century Hero International Limited as Underwriter in relation to the Rights Issue.

Save as disclosed, as at the Latest Practicable Date, the Directors or chief executive of the Company are not aware of any other person (other than Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group and the amount of each of such persons' interest in such securities, together with particulars of any options in respect of such capital, if there are no such interests or short positions.

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Group within the two years preceding the date of this prospectus and are or may be material:

- (a) the supplemental agreements dated 31 March 2011 between the Company and the 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;
- (b) the property acquisition agreement dated 6 May 2011 between an indirect wholly-owned subsidiary of the Company and a property developer for the acquisition of Units 2001 and 2002, 20/F, Honi International Plaza, No. 199 Chengdu Beilu, Shanghai, the PRC at a consideration of approximately RMB39.9 million for office use;
- (c) the Underwriting Agreement; and
- (d) the Irrevocable Undertakings.

Save as the aforesaid, no material contracts (not being contracts entered into in the ordinary course of business) have been entered into by any member of the Group within the two years immediately preceding the date of this prospectus which are or may be material.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against either the Company or any of its subsidiaries.

7. EXPERT

The following sets out the qualification of the expert who has given opinion or advice which is contained in this prospectus:

Name	Qualification
CCIF CPA Limited (“CCIF”)	Certified Public Accountants

As at the Latest Practicable Date, CCIF was not beneficially interested in the share capital of any member of the Group and none of them had any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and none of them had any interest, either direct or indirect, in any assets which have been, since 31 March 2012 (being the date to which the latest published audited financial statements of the Company were made up) acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, CCIF had given and has not withdrawn its written consent to the issue of this prospectus with inclusion of its letter prepared for inclusion in this prospectus, and references to its name in the form and context in which they are included.

8. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Name	Address
<i>Authorised representatives:</i>	
Mr. Kinson Eav	Flat 4C, Ridge Court, 21 Repulse Bay Road, Hong Kong
Mr. Cheng Ka Chung	Flat F, 28/F, Block 5, Rhine Garden, Sham Tseng, N.T., Hong Kong
<i>Executive Directors:</i>	
Mr. Eav Yin (alias Duong Khai Nhon) (<i>Chairman</i>)	G/F, Block B, 58 Black’s Link Villa, Black’s Link, Repulse Bay, Hong Kong
Mr. Kinson Eav	Flat 4C, Ridge Court, 21 Repulse Bay Road, Hong Kong
Mr. Henry Duong	Apartment 1763, Tower 10, Hong Kong Parkview, 88 Tai Tam Reservoir Road, Hong Kong
Mr. André Francois Meier	Maujobia 6A, 2000 Neuchatel, Switzerland

Independent non-executive Directors:

Mr. Lai Si Ming	4A Begonia Mansion, 8 Taikoo Wan Road, Taikoo Shing, Hong Kong
Ms. Wong Wing Yue, Rosaline	Shop 8, M/F, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong
Mr. Lee Tat Cheung, Vincent	Flat 3, 23rd Floor, Block A, Dragon Court, 6 Dragon Terrace, Hong Kong

Senior Management:

Mr. Poon Kwok Sing, Sammy	Flat C, 21/F, Block 18, Laguna City, Kwun Tong, Hong Kong
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Executive Directors

Mr. Eav (alias Duong Khai Nhon), aged 73, is the founder of the Group and a member of Chaozhou Committee of Guangdong Province of the Chinese People's Political Consultative Conference (廣東省潮州市政協委員). Mr. Eav is a Cambodian Chinese and prior to his establishing of a Hong Kong company in 1968 as an importing agent for watch distribution business in Cambodia, had extensive experience of distributing watches in Cambodia and Vietnam. Mr. Eav was appointed as an executive Director and the Chairman of the Company on 22 November 2006. Mr. Eav is also the Chairman of the nomination committee and a member of the remuneration committee of the Company. Mr. Eav is also the director of a number of subsidiaries of the Company. Mr. Eav is a director and a controlling shareholder of Century Hero International Limited, which is a controlling shareholder of the Company. Mr. Eav is the father of Mr. Kinson Eav and Mr. Henry Duong, both are executive Directors.

Save as disclosed above and as at the Latest Practicable Date, Mr. Eav does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Eav has also not held any directorship in other listed companies in Hong Kong or overseas in the past three years. Save as disclosed above and as at the Latest Practicable Date, Mr. Eav is not a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Kinson Eav, aged 37, holds a Bachelor of Arts degree in Interior Design and Technology and a Master of Arts degree in Art, Design and Visual Culture from the London Guildhall University. After graduation, Mr. Kinson Eav has practised in an architecture firm in London for 2 years. Mr. Kinson Eav was appointed as an executive Director of the Company on 22 November 2006. Mr. Kinson Eav is also the director of a number of subsidiaries of the Company. Mr. Kinson Eav is the son of Mr. Eav Yin and a brother of Mr. Henry Duong, both are executive Directors.

Save as disclosed above and as at the Latest Practicable Date, Mr. Kinson Eav does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Kinson Eav has also not held any directorship in other listed companies in Hong Kong or overseas in the past three years. As at the Latest Practicable Date, Mr. Kinson Eav is not a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Henry Duong, aged 50, was educated at the University of Southern California. Mr. Henry Duong has more than 30 years of experiences in the watch branding and retailing industries. He was appointed as an Executive Director of the Company on 7 July 2011. Before that, he was appointed as the Executive Director from the listing of the Company in 1989 and subsequently resigned on 31 August 1996 to pursue his personal career. Mr. Henry Duong is a son of the Chairman, Executive Director and controlling shareholder of the Company, Mr. Eav and is the elder brother of Mr. Kinson Eav, who is executive Director.

Save as disclosed above and as at the Latest Practicable Date, Mr. Henry Duong does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Henry Duong has also not held any directorship in other listed companies in Hong Kong or overseas in the past three years. As at the Latest Practicable Date, Mr. Henry Duong is not a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. André Francois Meier, aged 49, holds a degree in banking. Mr. Meier has more than 20 years experience in watch business. He spent his last 12 years at Blancpain S.A. (10 years as vice president and international sales manager). Mr. Meier was appointed as an executive Director of the Company on 26 October 2011.

Save as disclosed above and as at the Latest Practicable Date, Mr. Meier does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Meier has also not held any directorship in other listed companies in Hong Kong or overseas in the past three years. As at the Latest Practicable Date, Mr. Meier is not a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Independent Non-executive Directors

Mr. Lai Si Ming, aged 55, is a fellow member of the Hong Kong Institute of Surveyors and an associate member of the Royal Institution of Chartered Surveyors. Mr. Lai was elected as the Vice Chairman, General Practice Division of the Hong Kong Institute of Surveyors during the years from 2001 to 2003. Mr. Lai has been practicing as a professional surveyor since 1983 and has considerable experience in the property field. Mr. Lai holds a master degree of Business Administration from Chinese University of Hong Kong. Mr. Lai was appointed as an independent non-executive Director of the Company on 8 August 1998. Mr. Lai is also the Chairman of the audit committee and a member of the nomination committee and remuneration committee of the Company.

Save as disclosed above and as at the Latest Practicable Date, Mr. Lai does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Lai has also not held any directorship in other listed companies in Hong Kong or overseas in the past three years. As at the Latest Practicable Date, Mr. Lai is not a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Ms. Wong Wing Yue, Rosaline, aged 42, graduated with LLB (Hons) at King's College, London University, UK in 1992, and was admitted to both the UK Bar (Middle Temple, UK) and the Hong Kong Bar in 1993. Ms. Wong is a practicing barrister in Hong Kong. Ms. Wong was appointed as an independent non-executive Director of the Company on 16 December 2006. Ms. Wong is also a member of the nomination committee, audit committee and remuneration committee of the Company.

Save as disclosed above and as at the Latest Practicable Date, Ms. Wong does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. Ms. Wong has also not held any directorship in other listed companies in Hong Kong or overseas in the past three years. As at the Latest Practicable Date, Ms. Wong is not a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Lee Tat Cheung, Vincent, aged 43, has over 20 years experience in accounting and auditing and is the sole proprietor of a firm of Certified Public Accountants practicing in Hong Kong. Mr. Lee is an associate member of The Institute of Chartered Accountants in England and Wales, a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. He holds a Master Degree in Corporate Finance from the Hong Kong Polytechnic University. Mr. Lee was appointed as an independent non-executive Director of the Company on 16 December 2006. Mr. Lee is also the Chairman of the remuneration committee and a member of the audit committee and nomination committee of the Company.

Save as disclosed above and as at the Latest Practicable Date, Mr. Lee does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Lee has also not held any directorship in other listed companies in Hong Kong or overseas in the past three years. As at the Latest Practicable Date, Mr. Lee is not a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Senior management

Mr. Poon Kwok Sing, Sammy, aged 54, joined the Group in 1989. Mr. Poon has considerable experience in watch retailing, wholesale and brand management. During the period from April 1992 to March 1993, he was elected as the Director of the Federation of Hong Kong Watch Trades & Industries Limited which is an official association representing the watch industry in Hong Kong. Mr. Poon is the general manager in charge of the Group's watch retailing business in the PRC.

Save as above disclosed and as at the Latest Practicable Date, Mr. Poon does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Poon has also not held any directorship in other listed companies in Hong Kong or overseas in the past three years. As at the Latest Practicable Date, Mr. Poon is not a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

9. CORPORATE INFORMATION

Registered office	Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda
Head office and principal place of business in Hong Kong	19th Floor, 9 Des Voeux Road West, Hong Kong
Company secretary	Mr. Cheng Ka Chung, BA(Hons) in Accountancy, MSc in Accountancy, FCCA, AHKICPA, ACIS, ACS
Authorised representatives	Mr. Kinson Eav Mr. Cheng Ka Chung
Legal adviser as to Hong Kong law in relation to the Rights Issue	Iu, Lai & Li, Solicitors & Notaries, 20th Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong
Legal adviser as to Bermuda law in relation to the Rights Issue	Appleby, 2206-19 Jardine House, 1 Connaught Place, Central, Hong Kong
Principal share registrar and transfer office	Butterfield Fulcrum Group (Bermuda) Limited, Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda
Hong Kong branch share registrar and transfer office	Tricor Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong
Principal bankers	Standard Chartered Bank 15/F, Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Hong Kong Citibank, N.A., Hong Kong Branch 21/F, Tower 1 & 2, The Gateway Harbour City, Tsimshatsui, Kowloon, Hong Kong

Bank of China
No. 1221, Nanjing Road West,
Shanghai, China

China Merchants Bank
No. 100, Nanjing Road West,
Shanghai, China

Bank of Shanghai
No. 1468, Nanjing Road West,
Shanghai, China

Auditors

CCIF CPA Limited
9/F, Leighton Centre,
77 Leighton Road,
Causeway Bay,
Hong Kong

10. LEGAL EFFECT

This prospectus and the PAL, and all offers, acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong.

11. BINDING EFFECT

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penalty provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of this prospectus, having attached thereto copies of the PAL and the written consent referred to in the paragraph headed “7. Expert” in this appendix, has been delivered to the Registrar of Companies in Hong Kong for registration, and has been so registered, as required by section 342C of the Companies Ordinance.

13. DOCUMENT TO BE DELIVERED TO THE REGISTRAR OF COMPANIES IN BERMUDA

A copy of this prospectus will, as soon as reasonably practicable, be filed with the Registrar of Companies in Bermuda in compliance with the Companies Act.

14. GENERAL

- (a) As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation)).

- (b) There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant in relation to the business of the Group.
- (c) None of the Directors, proposed Directors or experts contained in this prospectus, has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of or leased to, or which are proposed to be acquired, disposed of or leased to, the company or any of its subsidiaries since 31 March 2012, the date to which the latest published audited consolidated financial statements of the Company were made up.
- (d) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside of Hong Kong.
- (e) The expenses in connection with the Rights Issue, including financial advisory fees, underwriting fee, printing, registration, translation, legal and accountancy charges are estimated to amount to approximately HK\$4,200,000 and are payable by the Company.
- (f) The English text of this prospectus and the accompanying form of proxy shall prevail over their respective Chinese texts.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at Iu, Lai and Li Solicitors & Notaries of 20th Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong from 16 January 2013 to 30 January 2013 (both days inclusive):

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the two years ended 31 March 2011 and 2012 respectively;
- (c) the report from CCIF on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as set out in appendix II to this prospectus;
- (d) the material contracts referred to in the paragraph headed “5. Material contracts” of this appendix; and
- (e) the written consent of CCIF referred to in the paragraph headed “7. Expert” of this appendix.