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If you have sold or transferred all your shares in **ASIA COMMERCIAL HOLDINGS LIMITED** (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**ASIA COMMERCIAL HOLDINGS LIMITED****冠亞商業集團有限公司****(Incorporated in Bermuda with limited liability)***(Stock Code: 104)****PROPOSED ADOPTION OF SHARE AWARD PLAN (2010)
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice to convene the SGM of Asia Commercial Holdings Limited to be held at Shang, Qin & Han Room, Dynasty Club, 7th Floor, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Monday, 13th September 2010 at 10:30 a.m. (or so soon thereafter as the annual general meeting of the Company convened at the same place and date at 10:00 a.m. shall have been concluded or adjourned) is set out at the end of this circular. A form of proxy is also enclosed. Whether or not you are able to attend and/or vote at the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time for holding the SGM or any adjournment thereof (as the case may be). The completion and delivery of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

* For identification purposes only

25th August 2010

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DEFINITIONS

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

“Adoption Date”	the date on which the Plan is adopted and approved by the Shareholders;
“Announcement”	the announcement issued by the Company dated 19th August 2010;
“Award”	an award of Shares pursuant to the Plan;
“Award Share(s)”	in relation to any Award means a Share to be allotted and issued by the Company pursuant to the terms of the Award and the Plan;
“Board”	the board of Directors or, in the context of the Plan, a duly authorised committee of the board of Directors (to whom the Board delegates powers and authorities for administration of the Plan);
“Codes”	the Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission in Hong Kong, as amended from time to time;
“Companies Act”	the Companies Act 1981 of Bermuda as amended from time to time;
“Company”	Asia Commercial Holdings Limited, an exempted company duly incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange;
“connected person”	in relation to a person has the same meaning ascribed to it in the Listing Rules;
“Directors”	the directors of the Company from time to time;
“Eligible Employee”	any employee of the Company or any Subsidiary (whether full time or part time, including any executive Directors and other officers who enter into contract of services with the Company or any Subsidiary) who is eligible, as determined by the Board, to participate in the Plan;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong;
“Latest Practicable Date”	20th August 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular;
“Listing Committee”	has the same meaning ascribed to it in the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange in force for the time being;
“Plan”	the rules of a share award plan entitled “Share Award Plan (2010)” the terms of which are summarized in the appendix to this circular;
“Plan Employee”	any Eligible Employee who has accepted or agreed to accept an Award made (or agreed to be made) by the Company or is holding interest in a subsisting Award for the time being in accordance with the Plan or (where the context so permits) a personal representative(s) of the Plan Employee (being either the executors of his will to whom a valid grant of probate has been made or if he dies intestate the duly appointed administrator(s) of his estate) who has provided to the Board evidence of his appointment as such;
“Plan Period”	the period of ten (10) years after the Adoption Date, subject to earlier termination by the Board or by the Company in general meeting in accordance with the terms of the Plan;
“SGM”	the special general meeting of the Company to be convened at Shang, Qin & Han Room, Dynasty Club, 7th Floor, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Monday, 13th September 2010 at 10:30 a.m. (or so soon thereafter as the annual general meeting of the Company convened at the same place and date at 10:00 a.m. shall have been concluded or adjourned) or any adjournment thereof (as the case may be), the notice of which is set out at the end of this circular;
“Share(s)”	ordinary share(s), currently with par value of HK\$0.10 each, in the share capital of the Company;
“Share Option Scheme (2002)”	the share option scheme adopted by the Company on 20th September 2002 in accordance with the Listing Rules, which is valid for ten (10) years commencing on that adoption date;
“Shareholder(s)”	the shareholder(s) of the Company;

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary of the Company; and
“%”	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 (Chairman)

Eav Ming Keong, Kinson

Au Shiu Leung, Alex

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

25th August 2010

To the Shareholders

Dear Sir or Madam,

PROPOSED ADOPTION OF SHARE AWARD PLAN (2010)

1. INTRODUCTION

As set out in the Announcement, the Company proposes to adopt the Plan for awarding new Shares to selected employees of the Group. The purpose of this circular is to provide you with further information about the Plan and to give you notice of the SGM.

2. THE PLAN

Purposes and reasons for adoption of the Plan

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

* For identification purposes only

LETTER FROM THE BOARD

The management of the Company has recently completed a review of the Group's existing share-based remuneration and incentive arrangements and alternatives for the employees of the Group, including the Share Option Scheme (2002) currently in effect. The review involved consideration of the effectiveness of such arrangements and identification of scope for improvement, in terms of the overall structural issues and effectiveness of such arrangements in devising individual packages allowed under existing arrangements and exploring new alternatives to modernize or, if appropriate, rebuild the existing arrangements. The primary objectives of the management of the Company were aiming at ensuring that the Group's share-based arrangements remain effective for the human resources management of the Group.

The Company recognizes that it has currently in place the Share Option Scheme (2002), which is a ten year discretionary option plan due to expire in 2012. The Share Option Scheme (2002) allows the Directors to grant options to the selected eligible participants, including the employees of the Group. The primary objective of that scheme is to give incentives, by means of options, to the employees and other participants of the Group who have demonstrated commitment or made valuable contribution to the Group.

However, the Company found that it has become increasingly apparent that discretionary options are an unreliable vehicle for motivation and retention; there is generally little or no motivational or retention value when option exercise prices are above the market value of the Shares. For these reasons, no options have been granted since the renewal of the 10% limit of the Share Option Scheme (2002) in 2008.

The Plan is designed with a view to resolving the above issues identified in the review. It is intended to be operated to provide fair and competitive rewards and incentives and achieve long-term commitment among employees of the Group. The Board is inclined to the use of the Awards in designing and implementing its compensation policy for its employees and for encouraging dedicated and continued contributions from them. After the Plan is adopted, the Board proposes to give more emphasis to it in devising share-based incentives to the employees of the Group in the future.

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

Terms of the Awards and the Award Shares to be issued

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

LETTER FROM THE BOARD

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

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

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

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

LETTER FROM THE BOARD

Limit on number of the Award Shares subject to the Plan

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

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

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

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

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

LETTER FROM THE BOARD

Pursuant to the authority granted by the Shareholders at the general meeting held on 26th August 2008 to refresh the 10% scheme limit of the Share Option Scheme (2002), the Company has authority to grant options of up to 60,069,512 underlying Shares. No option has been granted by the Company in exercise of the authority under the Share Option Scheme (2002) since that refreshment in 2008. The Company does not intend to grant any options under the Share Option Scheme (2002) from the Latest Practicable Date to the date of the SGM.

Conditions precedent for adoption of the Plan

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

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

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

3. THE SGM

The SGM will be convened at Shang, Qin & Han Room, Dynasty Club, 7th Floor, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Monday, 13th September 2010 at 10:30 a.m. (or so soon thereafter as the annual general meeting of the Company convened at the same place and date at 10:00 a.m. shall have been concluded or adjourned). The notice of the SGM is set out at the end of this circular.

At the SGM, an ordinary resolution will be proposed to approve and adopt the Plan and to authorize the Board to implement the Plan (including granting the powers and authorities to the Board to issue and allot the Award Shares up to the initial 10% limit mentioned above).

A form of proxy for the SGM is enclosed together with this circular for dispatch to the Shareholders. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete the form of proxy and return it to the Company's branch registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event no later than 48 hours before the time for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the SGM in person should you so wish.

All votes of the Shareholders at the SGM will be taken by poll and the Company will announce the results of the poll by issuing formal announcement in accordance with the Listing Rules.

LETTER FROM THE BOARD

4. RECOMMENDATION

The Directors consider that the terms of the Plan are fair and reasonable and in the interests of the Shareholders as a whole. Accordingly, the Board (including the independent non-executive Directors) recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM as set out in the notice of the SGM.

5. GENERAL

A copy of the rules of the Plan will be available for inspection at 19th Floor, 9 Des Voeux Road West, Hong Kong during normal business hours on any business day up to and including the date of the SGM.

This document, 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 document 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 document misleading.

The English test of this circular shall prevail over its Chinese text in case of any discrepancy.

Your attention is drawn to the principal terms of the Plan summarized in the appendix of this circular.

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

THE SHARE AWARD PLAN (2010)**1 Conditions**

This Plan shall take effect upon fulfilment of the following conditions:

- 1.1 the passing of the necessary resolution(s) to approve and adopt the Plan by the shareholders of the Company at a general meeting and to authorize the Board to implement the Plan; and
- 1.2 the Listing Committee granting the listing of, and permission to deal in, any Award Shares to be allotted and issued pursuant to the Awards as may be made pursuant under the Plan.

2 Duration and Administration*2.1 Plan Period*

The Plan shall be valid and effective upon satisfaction of the above conditions in paragraph 1 until the end of the Plan Period. No Award shall be made or accepted after the expiry of the Plan Period or after the termination of the Plan.

2.2 Administration

This Plan shall be administered by the Board. The decision of the Board shall be final and binding on all parties.

2.3 Interpretation of Plan

The decision of the Board as to all matters relating to the Plan or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties affected hereby. In particular, the Board shall finally determine whether a person is eligible to participate in the Plan.

3 Awards*3.1 Basis of eligibility*

The basis of eligibility of any Eligible Employee to accept any Award shall be determined by the Board from time to time.

3.2 *Making the Awards*

Subject to the terms of the Plan, the Board may from time to time invite any Eligible Employee as the Board may in its absolute discretion select to be offered an Award of such number of Shares as the Board may determine on and subject to such terms and conditions as the Board thinks fit in so far as not inconsistent with the provisions of the Plan. The invitation documents shall set out, amongst other things, (a) the number of Award Shares in respect of the proposed Award; (b) the expected vesting date and date of issue of the Award Shares; (c) (if applicable) any other conditions for the vesting of the proposed Award in respect of all or any number of the Award Shares concerned; and (d) (if applicable) such other terms and conditions relating to the proposed Award and/or the Award Shares which in the opinion of the Board are fair and reasonable and are not inconsistent with the Plan.

3.3 *Acceptance of Award*

3.3.1 Once an Award is accepted by the Eligible Employee to whom the Award is offered, it shall be binding on the Company and the Eligible Employee on and subject to the terms and conditions of the Award and the Plan.

3.3.2 No premium or other payment of any kind is required to be made by the Eligible Employee for or in connection with acceptance of any Award.

3.4 *Time restriction of making of Awards*

3.4.1 Awards shall not be proposed, offered, made or accepted after a price-sensitive event has occurred or a price sensitive matter has been the subject of a decision until an announcement of such price-sensitive information has been published in accordance with the Listing Rules. In particular, no Awards may be proposed, offered, made or accepted during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-yearly, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish Company's results for any year, half-yearly, quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. The period during which no Award may be proposed, offered, made or accepted will cover any period of delay in the publication of a results announcement. Without prejudice to the foregoing, no Award shall be made or accepted if and to the extent it is so prohibited under the Listing Rules.

3.4.2 No Award may be made to or accepted by any Eligible Employee who is a director of the Company and at the relevant time is prohibited from dealing in the Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or the Company's own equivalent code.

4 Subscription Price

4.1 The subscription price for a Share in respect of any Award made under the Plan shall be equal to the par value of a Share for the time being.

4.2 The aggregate subscription price for the Award Shares of a Plan Employee shall be paid by the relevant member of the Group being the employer of the Plan Employee at the relevant time or, where there is legal prohibition or restriction on such member making such payment, by the Company or other member(s) of the Group as the Board may decide, which is permitted to provide funds for payment of the relevant subscription price, out of resources legally permitted and available for such purposes under the applicable law and its constitutional documents. The subscription price for the Award Shares shall be paid in cash no later than the allotment and issue of the Award Shares.

4.3 No subscription price or other payment of any kind is required to be made by any Plan Employee for or on subscription of the Award Shares underlying the Award.

5 Awards to connected persons

No Award and Award Shares shall be made and issued to any Eligible Employee who is a connected person of the Company unless it has been approved by the independent non-executive directors of the Company and the Company has complied with the applicable requirements under the Listing Rules (including, where applicable, approval by the independent shareholders of the Company).

6 Terms of Awards

6.1 Vesting conditions

There is no vesting condition for the Awards generally provided that in relation to any Awards made or proposed to be made to any particular Plan Employee or the Eligible Employee or any particular groups of Plan Employees or Eligible Employees, the Board may at its absolute discretion, prescribe any vesting conditions the satisfaction of which vesting of the Awards in whole or in part shall depend on. The Board may amend, relax or waive the vesting conditions if there occur any events which render the conditions unfair or impractical having regard to the then circumstances, legal or business unforeseen at the time when the Awards are offered. Any vesting condition(s) set for any Awards, in whole or in part, by the Board, shall be set out in the letter of Awards issued to and accepted by the Plan Employees.

6.2 *Transfer of Awards*

Any Award is made and personal to the Plan Employee and the Plan Employee may not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Award, the underlying Award Shares or economic interests therein or attempt to do so. The Company may, after having reasonably satisfied itself that the Plan Employee shall have committed a breach of such term by notice to the Plan Employee, the Award (in so far as it has not vested in the Plan Employee) made to that Plan Employee shall be deemed to have lapsed as determined by the Board. Such notice, once issued, shall be final and binding on the Plan Employee.

6.3 *Allotment*

The Award Shares underlying an Award (to the extent already vested) may be allotted and issued in whole or in part (as applicable) to the Plan Employee or his legal representatives in accordance with its terms and the Plan. In case any Award Shares are to be issued in part, they shall be issued in respect of a board lot or an integral multiple thereof to the extent practicable (except where the number of Shares in respect of which the Award Shares remaining unissued is less than one board lot).

6.4 *Time of vesting of Awards*

Subject as otherwise provided in the Plan, an Award shall vest in the Plan Employee on the date or dates and subject to vesting conditions as set forth in the letter of Award or, in the absence of such vesting date or dates or vesting conditions, upon his acceptance of the Award. However, no Award shall vest after ten (10) years from the date on which the Award is initially made and any Award purported to vest after such ten-year period shall (to the extent not already vested) be deemed to have lapsed absolutely on expiry of such period.

6.5 *Rights attaching to Shares*

- 6.5.1 The Award Shares will not carry voting rights until completion of the registration of the Plan Employee (or his nominee(s)) as the holder thereof in the register of members or branch register of members of the Company. Subject to this, Award Shares allotted and issued will rank *pari passu* with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the other fully-paid Shares in issue on the date of allotment and accordingly will carry entitlement to all dividends or other distributions paid or made on or after the date of allotment, other than any dividend or other distributions previously declared or recommended or resolved to be paid or made with reference to a record date if the record date is before the date of allotment.

6.5.2 For the avoidance of doubt, an Award (to the extent it has not vested) shall not, by itself, confer or grant any title, interests or rights in or in respect of any Award Shares relating to such Award and the Company shall not issue or allot any Award Share in respect of any Award not yet vested. Without prejudice to paragraph 6.5.1, any dividends, dividend Shares or bonus Shares distributed by the Company before vesting of an Award shall not become part of the Award or Award Shares relating thereto.

7 Lapse of Awards

- 7.1 If the employment or engagement of the Plan Employee within the Group ceases, his Award (to the extent not already vested) shall lapse on the date of cessation of his employment or engagement absolutely.
- 7.2 If a general offer (whether by way of take-over offer, share repurchase offer or otherwise in like manner other than by way of scheme of arrangements) is made or proposed to be made in connection with or with a view to acquiring control (as defined in the Codes) of the Company, all the subsisting Awards (to the extent not already vested) shall lapse upon closing of the general offer duly made absolutely without any liabilities or obligations on part of the Company. If a general offer in connection with or with a view to acquiring control (as defined in the Codes) of the Company is made or proposed by way of scheme of arrangement under the Companies Act 1981 of Bermuda (as amended), all the subsisting Awards (to the extent not already vested) shall lapse absolutely upon such scheme being duly approved and becoming effective in accordance with the applicable laws and regulatory requirements or order and codes of regulatory authorities and the court without any liabilities or obligations on part of the Company.
- 7.3 If a compromise or arrangement between the Company and its shareholders or creditors for the purposes of or in connection with a scheme for the reconstruction or amalgamation of the Company under the Companies Act 1981 of Bermuda (as amended) is proposed, the Company shall give notice to the Plan Employees on the same date as, or soon thereafter, it despatches notices of general meeting to shareholders of the Company in relation to such scheme (“the general meeting”). The Plan Employees may elect to have the Awards vested (to the extent that the vesting conditions on and/or up to a date as specified by the Board in such notice from the Company are satisfied) provided that such election shall be communicated by notice in writing to the Company and received by it not later than four (4) business days (or such longer period as specified in the notices issued by the Company to the Plan Employees) prior to the date of the general meeting and the relevant Awards shall vest (to the extent not already vest) on a day decided by the Board (referred to in this paragraph as the “cut-off date”) and the Company shall issue and allot the Award Shares which are subject of the vested Awards to the Plan Employees. The Company may require the Plan Employees to transfer or otherwise deal with the Award Shares issued as a result of the vesting of the Awards in these circumstances so as to place the Plan Employees in the same position, as nearly as possible, as would have been the case had such Award Shares been subject to such compromise or arrangement. To the extent that an Award or any part thereof has not yet been vested by the cut-off date, the right of the Plan Employees to be allotted and issued the Award Shares shall be suspended for the time being notwithstanding

that such Awards may have become vested after the cut-off date. If for any reason such scheme is not approved by shareholders of the Company at the meeting summoned under the Companies Act 1981 of Bermuda (as amended) or if so approved but is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of the Plan Employees to be allotted and issued Award Shares under the Awards shall with effect from the date of the meeting of the shareholders of the Company which do not approve the scheme or the date of the making of the order by the court (as the case may be) be restored in full as if such scheme had not been proposed by the Company and no claim shall lie against the Company or any member of the Group or any of its officers for any loss or damage sustained by any Plan Employees as a result of the aforesaid suspension. However, if such scheme has become effective, all the subsisting Awards (to the extent not already vested by the cut-off date) shall lapse absolutely upon such scheme becoming effective.

- 7.4 In addition to the events and circumstances set out above in this paragraph, an Award will lapse (to the extent not already vested) on occurrence of any of the following events or circumstances:
- upon commencement of the winding-up of the Company (as determined in accordance with the applicable law);
 - upon the Plan Employee committing any act of bankruptcy or becoming insolvent or making any arrangements or composition with his creditors generally;
 - upon the Plan Employee committing a breach of the provisions of the Plan or the Awards are cancelled;
 - on (where any vesting condition, if any, is not satisfied) the last date on which the vesting conditions of the Award should have been satisfied; or
 - such other events or circumstances, if any, as may be specified by the Board in the terms of any Awards.
- 7.5 On lapse of an Award (to the extent not already vested), the Plan Employee holding such Award shall no longer be entitled to have any Award Shares, in so far as they relate to the Award lapsed, transferred to him and the Plan Employee's rights and interests or of in relation to the Award (to the extent not already vested by the time of its lapse) shall determine and cease to have any effect for all purposes and intents without any liability or obligations of the Company or the Group. Lapse of an Award, in whole or in part, shall not affect other Awards or part of the Award already vested in the Plan Employee.

8 Plan limit

8.1 *Overriding limit*

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

8.2 *Mandate limit*

Subject to paragraph 8.1 above, the total number of Awards Shares which may be issued under the Plan and which may be issued upon the exercise of all options to be granted under all other incentive or option schemes (including the Share Option Scheme (2002)) of the Company must not in aggregate exceed 10% of the Shares in issue on the Adoption Date. Awards made and options granted and lapsed in accordance with the terms of the Plan or any other option schemes (including the Share Option Scheme (2002)) of the Company will not be counted for the purpose of calculating such 10% limit.

8.3 *Refreshment of mandate limit*

Subject to paragraph 8.1 above, the 10% limit under paragraph 8.2 above may be refreshed by approval of shareholders of the Company in general meeting. For this purpose, the Company shall send a circular to its shareholders. However, the total number of Award Shares which may be issued under the Plan and the exercise of all options to be granted under any other incentive and option schemes (including the Share Option Scheme (2002)) of the Company under the 10% limit so refreshed shall not exceed 10% of the Shares in issue as at the date of approval. Awards previously made or options previously granted under the Plan or under any other incentive and option schemes (including Share Option Scheme (2002)) of the Company (including those vested, outstanding, cancelled and lapsed) will not be counted for the purpose of calculating the 10% limit as refreshed.

8.4 *Limit for each Plan Employee*

Subject to paragraph 8.1 above, no Award shall be made or agreed to be made to a Plan Employee which would result in the maximum number of Award Shares which are the subject of the Awards made to such Plan Employee (including any Awards which have vested, lapsed or cancelled) under the Plan in the 12-month period up to and including the date of such Award representing in aggregate over 1% of the Shares in issue as at the date of such Award.

Subject to paragraph 8.1 above, the Company may seek separate approval from its shareholders in general meeting for making Awards beyond the 10% limit set out in paragraphs 8.2 or 8.3 or 1% limit set out in paragraph 8.4 provided the Awards in excess of the limit are made only to the Plan Employees specifically identified by the Company before such approval is sought

and, for this purpose, the Company shall send a circular to its shareholders containing details and information of the Awards to be made, and such specified Plan Employees and their respective associates shall abstain from voting at such general meeting.

9 Cancellation of Awards

Any cancellation of Awards not yet vested must be approved by the Plan Employees holding the relevant Awards. Where the Company cancels any Awards and makes new ones to the same Plan Employees, such new Awards may only be made under the Plan with available Awards (excluding the cancelled Awards) within the limit approved by shareholders of the Company.

10 Reorganisation of Capital Structure

Adjustment to Awards

Adjustments to the issue price and/or the number of Award Shares subject to Awards already made under the Plan and/or to the Plan may be made in the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital. Any such adjustments shall give a Plan Employee the same portion of the equity capital of the Company as that to which he was previously entitled, but no such adjustments shall be made to the extent that an Award Share would be issued at less than its par value. No issue of Award Shares or other securities as consideration or part consideration in transaction or for the acquisition of any securities, assets or business shall be regarded as a circumstance requiring such adjustments. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial advisor or the auditors for the time being of the Company shall confirm to the Board in writing that, in their opinion, the adjustments are fair and reasonable and satisfy the aforementioned requirements. The Company will publish an announcement with respect to any future adjustments made and confirmed by the independent financial advisor or the auditors for the time being of the Company.

11 Alteration of the Plan

This Plan may be altered in any respect by resolution of the Board except that:

- (a) any alteration to the advantage of the Plan Employees or the Eligible Employees (as the case may be);
- (b) any material alteration to the terms and conditions of the Plan or any change to the terms of Awards made (except any alterations which take effect automatically under the terms of the Plan),

shall first be approved by the shareholders of the Company in general meeting. No alteration shall operate to affect adversely in any material respect any subsisting rights of any Plan Employee under the Plan except with the prior consent of the relevant Plan Employee or the consent or sanction of such majority of the Plan Employees as would be required of shareholders of the Company under its Bye-laws for the time being for a variation of the rights attached to the Award Shares. Written notice of any amendment to the Plan shall be given to all Plan Employees with subsisting Awards.

12 Termination

The Board or the Company may by resolution in general meeting at any time terminate the Plan and in such event no further Award shall be offered or made but the provisions of the Plan shall remain in force to the extent necessary to give effect to any subsisting Award already made prior to the termination or otherwise as may be required in accordance with the provisions of the Plan. Awards made prior to such termination shall continue to be valid and shall vest (to the extent not already exercised) in accordance with the Plan.

NOTICE OF SGM



ASIA COMMERCIAL HOLDINGS LIMITED

冠亞商業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 104)

NOTICE IS HEREBY GIVEN that a special general meeting of the shareholders of Asia Commercial Holdings Limited (the “Company”) will be held at Shang, Qin & Han Room, Dynasty Club, 7th Floor, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Monday, 13th September 2010 at 10:30 a.m. (or so soon thereafter as the annual general meeting of the Company convened at the same place and date at 10:00 a.m. shall have been concluded or adjourned), for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution which will be proposed as an ordinary resolution of the Company:–

ORDINARY RESOLUTION

“**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, any shares in the ordinary share capital of the Company (the “Shares”) to be issued pursuant to the awards as may be made by the Company pursuant to the rules of a share award plan entitled “Share Award Plan 2010” (the “Plan”), a copy of which is produced to the meeting marked “A” and signed by the Chairman of this meeting for the purpose of identification, and a summary of the provisions of which are set out in the circular of the Company dated the same date of the notice convening this meeting:

- (a) the Plan be and is hereby approved and adopted; and
- (b) the directors of the Company be and are hereby granted powers and authorities to issue, allot and deal with the Shares thereunder initially not exceeding, when aggregated with new Shares to be issued upon exercise of all options to be granted under any other share option scheme of the Company, ten percent (10%) of the Shares in issue on the date when this resolution is passed subject to subsequent refreshment and other limits and provisions as set out in the Plan, and to take such steps and do such acts and to enter into such transactions, arrangements and agreements as may be necessary or desirable to implement, administer and give full effect to the Plan and the transactions contemplated therein.”

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

Hong Kong, 25th August 2010

* For identification purposes only

NOTICE OF SGM

Registered Office:

Canon's Court,
22 Victoria Street,
Hamilton HM 12,
Bermuda

Head Office and Principal

Place of Business:
19th Floor,
9 Des Voeux Road West,
Hong Kong

Notes:

1. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or more separate proxies to attend and to vote instead of him. A proxy need not be a shareholder of the Company.
2. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed (or notarially certified copy thereof) must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding of the meeting or at any adjournment thereof.

As at the date hereof, the board of Directors of the Company comprises Mr. Eav Yin (Chairman), Mr. Eav Ming Keong, Kinson and Mr. Au Shiu Leung, Alex as executive directors, Mr. Lai Si Ming, Ms. Wong Wing Yue, Rosaline and Mr. Lee Tat Cheung, Vincent as independent non-executive directors.