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

If you have sold or transferred all your securities in **Asia Commercial Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

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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 CAPITAL REORGANISATION
AND
CASH DISTRIBUTION OUT OF CONTRIBUTED SURPLUS
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the SGM of the Company at Qin & Han Rooms, Dynasty Club, 7th Floor, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 3 July 2018 at 10:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular.

Whether or not you intend to attend and vote in person at the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed 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 in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

* For identification purpose only

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context specifies otherwise:

“Announcement”	the announcement of the Company dated 11 May 2018 relating to the Capital Reorganisation and the Distribution
“Board”	the board of the Directors
“Board Lot Size”	the number of shares of the Company traded as a unit on the Stock Exchange
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Bye-law(s)”	the bye-laws of the Company
“Capital Increase”	the proposed increase of the authorised share capital of the Company from HK\$250,000,000 divided into 1,250,000,000 shares of par value HK\$0.20 each to HK\$500,000,000 divided into 2,500,000,000 New Shares
“Capital Reduction”	the proposed reduction (i) of the issued share capital of the Company by cancelling the paid up capital of the Company to the extent of HK\$0.20 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.40 to HK\$0.20; and (ii) of the authorised share capital of the Company by reducing the par value of all Consolidated Shares from HK\$0.40 each to HK\$0.20 each
“Capital Reorganisation”	the Share Consolidation, the Capital Reduction, the Capital Increase and the Share Premium Account Reduction
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“Company”	Asia Commercial Holdings Limited, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 104)
“Consolidated Share(s)”	share(s) of par value of HK\$0.40 each in the share capital of the Company as a result of the Share Consolidation
“Contributed Surplus”	the contributed surplus account of the Company

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Distribution”	the distribution out of the Contributed Surplus to the Shareholders in cash on the basis set out in this circular
“Effective Date”	the date on which the Capital Reorganisation becomes effective, which is initially Friday, 13 July 2018, or such other date as announced by the Company in accordance with the Listing Rules from time to time
“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 PRC
“Hong Kong Branch Share Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, namely Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Latest Practicable Date”	31 May 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	share(s) of par value of HK\$0.20 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Record Date”	the date on which Shareholders must be registered members of the Company in order to qualify for the Distribution, which is initially Thursday, 12 July 2018, or such other date as decided by the Company from time to time
“SGM”	the special general meeting of the Company to be convened and held at Qin & Han Rooms, Dynasty Club, 7th Floor, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 3 July 2018 at 10:00 a.m. or at any adjournment thereof (as the case may be) to consider and, if thought fit, to approve the Capital Reorganisation and the Distribution

DEFINITIONS

“Share(s)”	share(s) in the issued and unissued share capital of the Company for the time being (before the Capital Reorganisation taking effect), the par value of which being HK\$0.20 each
“Share Consolidation”	the proposed consolidation of every two (2) issued and unissued Shares of par value of HK\$0.20 each in the share capital of the Company into one (1) Consolidated Share of par value of HK\$0.40
“Shareholder”	a holder of issued Shares or New Shares (as the case may be)
“Share Award Plan”	the rules of a share award plan entitled “Share Award Plan (2010)” adopted by the Company at a special general meeting held on 13 September 2010, which is valid for ten (10) years commencing on that adoption date. The terms of the plan are summarized in the circular of the Company dated 25 August 2010
“Share Option(s)”	the share option(s) granted under the Share Option Scheme
“Share Option Scheme(s)”	the share option scheme adopted by the Company at the annual general meeting of the Company held on 20 September 2002, which expired in 2012
“Share Premium Account Reduction”	the proposed reduction of the amount standing to the credit of the share premium account of the Company to nil
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

EXPECTED TIMETABLE

Set out below is an indicative timetable for the implementation of the Capital Reorganisation and the Distribution. The timetable is subject to the results of the SGM and other changes. The Company will notify the Shareholders of any significant changes to the expected timetable by way of announcement(s) as and when appropriate.

Event	Time and date 2018
Latest time for lodging transfer of securities for attending SGM	4:30 p.m. on Thursday, 28 June
Book closure period to determine entitlements to attend the SGM	Friday, 29 June to Tuesday, 3 July
Latest date for lodging proxy forms for the SGM	10:00 a.m. on Sunday, 1 July
Record date for determining entitlements to attend and vote at the SGM	Tuesday, 3 July
SGM	10:00 a.m. on Tuesday, 3 July
Announcement of results of SGM	Tuesday, 3 July
Last day of dealings in the Shares cum-entitlements to the Distribution	Wednesday, 4 July
First day of dealing in the Shares ex-entitlements to the Distribution	Thursday, 5 July
Latest time for the Shareholders to lodge transfer of the shares in order to qualify for the Distribution	4:30 p.m. on Friday, 6 July
Book closure period to determine entitlements for the Distribution	Monday, 9 July to Thursday, 12 July
Record Date (for determining entitlements to the Distribution)	Thursday, 12 July
Effective Date of the Capital Reorganisation	Friday, 13 July
Dealings in New Shares commence on the Stock Exchange	9:00 a.m. on Friday, 13 July
First day for free exchange of existing share certificates for new share certificates for the New Shares	Friday, 13 July

EXPECTED TIMETABLE

Original counter for trading in existing board lots of 5,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Friday, 13 July
Temporary counter for trading in board lots of 2,500 New Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 13 July
Original counter for trading in new board lots of 5,000 New Shares (in the form of new share certificates) re-opens	9:00 a.m. on Friday, 27 July
Parallel trading in the New Shares (in form of new share certificates and existing share certificates) commences	9:00 a.m. on Friday, 27 July
Designated broker starts to stand in the market to provide matching service for odd lots of the New Shares	9:00 a.m. on Friday, 27 July
Despatch cheques for the Distribution.	Friday, 27 July
Temporary counter for trading in board lots of 2,500 New Shares (in the form of existing share certificates) ends	4:00 p.m. on Thursday, 16 August
Parallel trading in the New Shares (in form of new share certificates and existing share certificates) ends.	4:00 p.m. on Thursday, 16 August
Last day of designated broker standing in the market to provide matching service for odd lots of the New Shares.	4:00 p.m. on Thursday, 16 August
Last day of free exchange of certificates for existing Shares into new certificates for the New Shares	4:00 p.m. on Monday, 20 August

Notes:

1. All dates and time set out in this announcement refer to Hong Kong dates and time.
2. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders by way of announcements published in accordance with the Listing Rules.

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 Guech Rosanna

Duong Ming Chi, Henry

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

Principal Place of Business

in Hong Kong:

19th Floor

9 Des Voeux Road West

Hong Kong

5 June 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSED CAPITAL REORGANISATION
AND
CASH DISTRIBUTION OUT OF CONTRIBUTED SURPLUS
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement dated 11 May 2018 relating to the Capital Reorganisation and the Distribution.

The purpose of this circular is to provide you with further information on the Capital Reorganisation, the Distribution and the Board Lot Size and to give you notice of the SGM containing the resolutions to be proposed at the SGM which is set out on pages SGM-1 to SGM-3 of this circular.

* *For identification purpose only*

LETTER FROM THE BOARD

CAPITAL REORGANISATION

The Board proposes to put forward to the Shareholders the Capital Reorganisation for approval. The Capital Reorganisation will comprise:

(a) Share Consolidation:

every two (2) issued and unissued Shares will be consolidated into one (1) Consolidated Share;

(b) Capital Reduction:

immediately upon the Share Consolidation becoming effective, (i) the issued share capital of the Company will be reduced by cancelling the paid up capital of the Company to the extent of HK\$0.20 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.40 to HK\$0.20; and (ii) the authorised share capital of the Company will be reduced by reducing the par value of all Consolidated Shares from HK\$0.40 each to HK\$0.20 each resulting in the reduction of the authorised share capital of the Company from HK\$500,000,000 divided into 1,250,000,000 Consolidated Shares to HK\$250,000,000 divided into 1,250,000,000 shares of par value of HK\$0.20 each;

(c) Capital Increase:

immediately upon the Capital Reduction becoming effective, the authorised share capital of the Company will be increased from HK\$250,000,000 divided into 1,250,000,000 shares of par value HK\$0.20 each to HK\$500,000,000 divided into 2,500,000,000 New Shares;

(d) Share Premium Account Reduction:

the amount standing to the credit of the share premium account of the Company will be reduced to nil; and

(e) Transfer of Credit to the Contributed Surplus:

the entire credit amount arising in the books of the Company from the Capital Reduction and the Share Premium Account Reduction will be transferred to the Contributed Surplus to enable the application of necessary amount in the Contributed Surplus to set off against the accumulated losses of the Company and to make the Distribution. The Directors will be authorised to utilise and apply any credit balance in the Contributed Surplus in accordance with the Bye-laws and all applicable laws, including the application of any credit balance to set off against accumulated losses of the Company, as and when the Directors may consider appropriate.

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$500,000,000 divided into 2,500,000,000 Shares of HK\$0.20 each, of which 1,566,866,440 Shares have been issued and fully paid or credited as fully paid.

LETTER FROM THE BOARD

Immediately following the Capital Reorganisation, the authorised share capital of the Company will be HK\$500,000,000 divided into 2,500,000,000 New Shares of HK\$0.20 each, of which 783,433,220 New Shares will be in issue and the aggregate nominal value of the issued share capital of the Company will be HK\$156,686,644 (assuming that no Shares are issued or repurchased from the Latest Practicable Date until the Effective Date). A credit of HK\$156,686,644 will arise as a result of the Capital Reduction. The entire credit amount arising in the books of the Company from the Capital Reduction and the Share Premium Account Reduction will be transferred to the Contributed Surplus to enable the application of necessary amount in the Contributed Surplus to set off against the accumulated losses of the Company and to make the Distribution. The Directors will be authorised to utilise and apply any credit balance in the Contributed Surplus in accordance with the Bye-laws and all applicable laws, including the application of any credit balance to set off against accumulated losses of the Company, as and when the Directors may consider appropriate.

Assuming no Shares are issued or repurchased from the Latest Practicable Date until the Effective Date, the share capital structure of the Company will be as follows:

	As at the Latest Practicable Date	Immediately after the Capital Reorganisation becoming effective
Par value	HK\$0.20 per Share	HK\$0.20 per New Share
Authorised share capital	HK\$500,000,000 divided into 2,500,000,000 Shares	HK\$500,000,000 divided into 2,500,000,000 New Shares
Issued share capital	HK\$313,373,288	HK\$156,686,644
Issued shares	1,566,866,440 Shares	783,433,220 New Shares
Unissued shares	933,133,560 Shares	1,716,566,780 New Shares

Under the Bermuda law, the Contributed Surplus is a distributable reserve and the Directors may apply the Contributed Surplus in accordance with the Companies Act and the Bye-laws.

Fractional entitlement to the New Shares

Any fractional entitlements to the New Shares of an individual Shareholder will not be issued by the Company to such Shareholder, but will be aggregated, sold and retained for the benefits of the Company.

LETTER FROM THE BOARD

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (a) the passing of a special resolution to approve the Capital Reorganisation by the Shareholders at the SGM;
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the New Shares in issue following completion of the Capital Reorganisation, and, where appropriate, the New Shares which may fall to be allotted and issued upon exercise of the Share Options and under the Share Award Plan;
- (c) the compliance with the relevant procedures and requirements under the Listing Rules and section 46(2) of the Companies Act in respect of the Capital Reduction and the Share Premium Account Reduction; and
- (d) all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation having been obtained.

The requirements of section 46(2) of the Companies Act include (i) publication of a notice in relation to the Capital Reduction and the Share Premium Account Reduction in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the date on which the Capital Reduction and the Share Premium Account Reduction is to take effect; and (ii) that on the date on which the Capital Reduction and the Share Premium Account Reduction is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction and the Share Premium Account Reduction would be, unable to pay its liabilities as they become due.

As at the Latest Practicable Date, only condition (d) has been satisfied.

Reasons for the Capital Reorganisation

As at 31 March 2017, the total amounts standing to the credit of the share premium account and the Contributed Surplus of the Company were approximately HK\$143,308,346 and HK\$17,525,121 respectively, and the accumulated losses of the Company were approximately HK\$249,206,203.

Immediately upon the Capital Reorganisation becoming effective, the Board will apply sufficient amount of the Contributed Surplus to set off the entire amount of the accumulated losses of the Company. Thereafter, the remaining balance of the Contributed Surplus is expected to be approximately HK\$68,313,908.

The Board considers that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole. The proposal, if approved and effected, will enable the Company to, among other things, eliminate its entire accumulated losses and increase the Contributed Surplus to a sufficient amount to make the Distribution in cash to the Shareholders. The remaining balance of the Contributed Surplus will be applied in a manner permitted by the Companies Act and the Bye-laws.

LETTER FROM THE BOARD

The Share Consolidation is proposed alongside with, among other things, the Capital Reduction to form part of the Capital Reorganisation. Their combined effect is expected to raise the Company's net asset value per share and offer support to share price against the possible downward trend of share price following the cash payment by the Company under the Distribution. Coupled with the Board Lot Size set at 5,000 New Shares (see the section headed "Board Lot Size" below), the Share Consolidation is expected to help lower transaction costs associated with board lot purchase and attain the minimum board lot value of HK\$2,000 after the Capital Reorganisation.

In structuring the Capital Reorganisation, the Company has taken into account the business plans of the Group for the next 12 months. The Company has no intention to conduct any fund raising exercises, corporate actions and/or capital reorganisations in the next 12 months which will offset the effect of the Capital Reorganisation.

Effects of the Capital Reorganisation

Implementation of the Capital Reorganisation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of the related expenses.

The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group or its overall net asset value. The Board does not expect that on the date the Capital Reorganisation is to be effected, there will be any reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. No outflow of resources will be caused by the Capital Reorganisation, except for the expenses expected to be insignificant in the context of the net asset value of the Company. The Capital Reorganisation itself does not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid up capital of the Company nor will it result in any change in the relative rights of the Shareholders.

In connection with the Capital Increase, the Directors have no present intention of issuing any part of the authorised capital of the Company.

Listing application and dealings

An application has been made to the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and, where appropriate, the New Shares which may fall to be allotted and issued upon exercise of the Share Options and under the Share Award Plan.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

LETTER FROM THE BOARD

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New 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 New Shares 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The New Shares to be issued will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

Free exchange of share certificates

Subject to the Capital Reorganisation becoming effective, which is expected to be on Friday, 13 July 2018, Shareholders may, during the prescribed period between Friday, 13 July 2018 and Monday, 20 August 2018 (both dates inclusive), submit Share certificates for the Shares to the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the New Shares.

It is expected that the new share certificates for the New Shares will be available for collection on the 10th Business Day from the date of submission for the exchange. Thereafter, the Share certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each share certificate of Shares cancelled or each new share certificate issued for New Shares, whichever number of certificates issued or cancelled is higher. The Share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Thursday, 16 August 2018 and thereafter will not be accepted for delivery, trading and settlement purposes. Nevertheless, certificates of Shares will continue to be good evidence of legal title and may be exchanged for certificates of New Shares at any time. The new share certificates for the New Shares will be issued in green colour in order to be distinguished from the existing share certificates which are in red colour.

Trading arrangements

Subject to the Capital Reorganisation becoming effective, the arrangements proposed for dealings in the shares of the Company are expected to be as follows:

- (i) from 9:00 a.m. on Friday, 13 July 2018, the original counter for trading in the Shares in board lots of 5,000 Shares will be temporarily closed and a temporary counter for trading in the Shares in board lots of 2,500 New Shares will be set up and opened;
- (ii) with effect from 9:00 a.m. on Friday, 27 July 2018, the original counter for trading in the New Shares will be re-opened in board lots of 5,000 New Shares;

LETTER FROM THE BOARD

- (iii) during the period from 9:00 a.m. on Friday, 27 July 2018 to 4:00 p.m. on Thursday, 16 August 2018 (both dates inclusive), there will be parallel trading at the above two counters; and
- (iv) the temporary counter for trading in the Shares in board lots of 2,500 New Shares will be removed after the close of trading at 4:00 p.m. on Thursday, 16 August 2018.

Thereafter, trading will only be in board lots of 5,000 New Shares with new share certificates, and the existing share certificates for the Shares will cease to be marketable and will not be acceptable for dealing and settlement purposes. However, such certificates will remain as documents of title on the basis of 2 Shares for 1 New Share.

Book closure for determining entitlements to attend and vote at the SGM

For determining the entitlement to attend and vote at the SGM, the register of members will be closed from Friday, 29 June 2018 to Tuesday, 3 July 2018, both days inclusive. In order to be eligible to attend and vote at the SGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 28 June 2018.

Adjustments in relation to the Share Options

As at the Latest Practicable Date, the Company has outstanding Share Options granted under the Share Option Scheme, which entitle holders thereof to subscribe for 15,559,565 Shares. The Capital Reorganisation will give rise to adjustments to the exercise prices of the Share Options and the number of New Shares to be issued under the outstanding Share Options pursuant to the Share Option Scheme. The Company will make further announcement about the adjustments in due course.

Save for the outstanding Share Options mentioned above, there are no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convertible or exchangeable into Shares as at the Latest Practicable Date. The Share Option Scheme expired in 2012.

The Company adopted the Share Award Plan at a special general meeting held on 13 September 2010. The Company has not made any award of Shares under the Share Award Plan since its adoption. Other than the Share Award Plan, the Company does not have any other share award plan or share option plan adopted.

Following the Capital Reorganisation, the number of shares subject to the Share Award Plan will be adjusted in accordance with the rules of the Share Award Plan which adopt the provisions set out in Rule 17.03(13) of the Listing Rules. The Company will make further announcement about the adjustment in due course.

LETTER FROM THE BOARD

BOARD LOT SIZE

The existing Board Lot Size is 5,000 Shares. Based on the closing price of HK\$0.305 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the board lot value of 5,000 Shares is approximately HK\$1,525; and, after adjustment for the effects of the Distribution and the Capital Reorganisation, the board lot value of 2,500 New Shares (being equivalent to 5,000 Shares before the Capital Reorganisation) is expected to be approximately HK\$1,461 only, being less than HK\$2,000.

The Board proposes to set the Board Lot Size at 5,000 New Shares immediately after the Capital Reorganisation becoming effective, so that the board lot value will attain the minimal board lot value of HK\$2,000. The Board is of the view that the Board Lot Size set at 5,000 New Shares is appropriate and would reduce the proportionate transaction costs and charges for securities trading in this board lot value and could improve the trading liquidity of the New Shares.

MATCHING SERVICES FOR ODD LOT HOLDINGS

The Board Lot Size set at 5,000 New Shares upon the Capital Reorganisation becoming effective could create odd lot holdings of New Shares amongst the Shareholders. To facilitate the trading of odd lots (if any) of the New Shares thus created, the Company has appointed Fruit Tree Securities Limited of Room 1906, 19/F, China Insurance Group Building, 141 Des Voeux Road Central, Central, Hong Kong as an agent to provide matching services, on a best effort basis, to the Shareholders for the sale and purchase of odd lots of New Shares at the relevant market price per New Share and the matching period commences from 9:00 a.m. on Friday, 27 July 2018 to 4:00 p.m. on Thursday, 16 August 2018 (both dates inclusive). Shareholders who wish to take advantage of this facility either to dispose of their odd lots of the New Shares or to top up to a full board lot may, directly or through their brokers, contact Chester Chu Wai Pang of Fruit Tree Securities Limited at 852-2110 8487 during office hours.

Shareholders with odd lot holdings of New Shares should note that the matching of the sale and purchase of odd lots of the New Shares is on a best efforts basis. Successful matching of the sale and purchase of odd lots of the New Shares is not guaranteed.

CASH DISTRIBUTION OUT OF CONTRIBUTED SURPLUS

Subject to the Capital Reorganisation becoming effective, the Board proposes to make the Distribution, in cash, at HK\$0.0128 per Share (equivalent to HK\$0.0256 per New Share on the basis of 1 New Share for every two Shares held on the Record Date).

The Distribution will be made out of the Contributed Surplus following the Capital Reorganisation and the elimination of the entire accumulated losses of the Company.

The Distribution is conditional upon the Capital Reorganisation becoming unconditional and effective, the passing of the relevant resolutions by the Shareholders at the SGM and compliance with the relevant requirements in the Companies Act and the Bye-laws.

LETTER FROM THE BOARD

Section 54 of the Companies Act, provides, among other things, that a company shall not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realisable value of the company's assets would thereby be less than its liabilities.

Record Date and book closures for determining entitlements to receive the Distribution

The Shareholders must be registered members of the Company on the Record Date, expected to be Thursday, 12 July 2018, to qualify to receive the Distribution.

For determining the entitlements to the Distribution, the register of members will be closed from Monday, 9 July 2018 to Thursday, 12 July 2018, both days inclusive. In order to be eligible to receive the Distribution, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 6 July 2018.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Capital Reorganisation and the Distribution was set out on pages 4 to 5 of this circular.

WARNING

The Capital Reorganisation and the Distribution are conditional upon satisfaction of the conditions set out in the paragraph headed "Conditions of the Capital Reorganisation" in this circular. There is no assurance that the Capital Reorganisation and the Distribution will become unconditional and completed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

THE SGM

The SGM will be held at Qin & Han Rooms, Dynasty Club, 7th Floor, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, on Tuesday, 3 July 2018 at 10:00 a.m.. A notice of the SGM is set out on pages SGM-1 to SGM-3 of this circular.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, The Directors are not aware of any Shareholder who is required to abstain from voting at the SGM. Pursuant to Rule 13.39(4) of the Listing Rules and/or the Bye-laws, the voting on the proposed resolution set out in the notice of the SGM will be taken by way of a poll and an announcement on the poll results will be published by the Company on the websites of the Stock Exchange and the Company in the manner prescribed under Rule 13.39(5) of the Listing Rules after the SGM.

LETTER FROM THE BOARD

A form of proxy for use by the Shareholders at the SGM is enclosed with this circular and is also published on the website of the Stock Exchange at <http://www.hkexnews.hk> and on the website of the Company at <http://www.asiacommercialholdings.com>. Whether or not you intend to attend and vote in person at the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed 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 in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

RECOMMENDATION

The Directors are of the opinion that the Capital Reorganisation and the Distribution are in the interest of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions set out in the notice of the SGM contained herein.

RESPONSIBILITY STATEMENT

This circular, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 19th Floor, 9 Des Voeux Road West, Hong Kong on any business day from the date of this circular up to and including the date of the SGM:

- (a) the memorandum of association and the Bye-laws;
- (b) the annual reports of the Company for the two financial years ended 31 March 2016 and 31 March 2017;
- (c) the interim report of the Company for the six months ended 30 September 2017; and
- (d) this circular.

By Order of the Board
Asia Commercial Holdings Limited
Cheng Ka Chung
Company Secretary

NOTICE OF THE 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 OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of **Asia Commercial Holdings Limited** (冠亞商業集團有限公司*) (the “Company”) will be held at Qin & Han Rooms, Dynasty Club, 7th Floor, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, on Tuesday, 3 July 2018 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, (of which resolution no. 1 will be proposed as a special resolution and resolution no. 2 will be proposed as an ordinary resolution) with or without amendments:

SPECIAL RESOLUTION

- “1. **THAT** subject to and conditional upon compliance by the Company with the requirements of section 46(2) of the Companies Act 1981 of Bermuda (as amended), with effect from Friday, 13 July 2018 (Hong Kong time) or such time or such other date and/or time as the directors of the Company (the “**Directors**”) may determine:
- a. every two (2) issued and unissued shares of par value HK\$0.20 each in the share capital of the Company be consolidated into one (1) share of par value HK\$0.40 (each a “**Consolidated Share**”) (the “**Share Consolidation**”);
 - b. immediately upon the Share Consolidation becoming effective, (i) the issued share capital of the Company be reduced by cancelling the paid up capital of the Company to the extent of HK\$0.20 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share be reduced from HK\$0.40 to HK\$0.20; and (ii) the authorised share capital of the Company be reduced by reducing the par value of all Consolidated Shares from HK\$0.40 each to HK\$0.20 each resulting in the reduction of the authorised share capital of the Company from HK\$500,000,000 divided into 1,250,000,000 Consolidated Shares to HK\$250,000,000 divided into 1,250,000,000 shares of par value of HK\$0.20 each (collectively, the “**Capital Reduction**”);
 - c. immediately upon the Capital Reduction becoming effective, the authorised share capital of the Company be increased from HK\$250,000,000 divided into 1,250,000,000 shares of par value HK\$0.20 each to HK\$500,000,000 divided into 2,500,000,000 shares of par value HK\$0.20 each (the “**New Shares**”);

* For identification purpose only

NOTICE OF THE SGM

- d. the amount standing to the credit of the share premium account of the Company be reduced to nil (the “**Share Premium Account Reduction**”);
- e. immediately upon the Capital Reduction and Share Premium Account Reduction becoming effective, the entire credit amount arising in the books of the Company from the Capital Reduction and the Share Premium Account Reduction be transferred to the contributed surplus account of the Company (the “**Contributed Surplus**”),

(collectively, the “**Capital Reorganisation**);
- f. the Directors be authorised to utilise and apply any credit balance in the Contributed Surplus in accordance with the Bye-laws of the Company and all applicable laws, including the application of any credit balance to set off against accumulated losses of the Company as and when the Directors may consider appropriate; and
- g. the Directors be and are hereby generally authorised to do all such acts, deeds and things and to sign all documents as they may, in their absolute discretion, deem necessary, desirable or appropriate to give effect and implement this resolution.”

ORDINARY RESOLUTION

- 2. “**THAT** subject to the Capital Reorganisation (as defined in the circular of the Company dated 5 June 2018 (“**Circular**”)) becoming effective, the Distribution (as defined in the Circular) at HK\$0.0128 per Share (as defined in the Circular) be made to the shareholders of the Company whose names appear on the Company’s register of members on the Record Date (as defined in the Circular) and the directors of the Company be and are hereby authorised to do all such acts, deeds and things and to sign all documents as they may, in their absolute discretion, deem necessary, desirable or appropriate to give effect and implement this resolution.”

By Order of the Board
Asia Commercial Holdings Limited
Cheng Ka Chung
Company Secretary

Hong Kong, 5 June 2018

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

NOTICE OF THE SGM

Notes:

1. A form of proxy for use at the SGM is enclosed.
2. Any member of the Company entitled to attend and vote at the SGM is entitled to appoint one proxy or, if such member is a holder of more than one share of the Company, more than one proxy to attend and, to vote in his stead. A proxy need not be a member of the Company.
3. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be).
4. Completion and delivery of the form of proxy will not preclude members from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any share of the Company, any one of such holders may vote at the SGM either personally or by proxy in respect of such share(s) as if he/she was solely entitled thereto provided that if more than one of such joint holders be present at the SGM whether personally or by proxy, the person whose name stands first on the register of members of the Company in respect of such share(s) shall be accepted to the exclusion of the vote(s) of the other joint holders.
6. The above resolutions will be voted by way of a poll at the SGM.
7. For determining the entitlement to attend and vote at the SGM, the register of members will be closed from Friday, 29 June 2018 to Tuesday, 3 July 2018, both days inclusive. In order to be eligible to attend and vote at the SGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 28 June 2018.
8. The Shareholders must be registered members of the Company on the Record Date, expected to be Thursday, 12 July 2018, to qualify to receive the Distribution. For determining the entitlements to the Distribution, the register of members will be closed from Monday, 9 July 2018 to Thursday, 12 July 2018, both days inclusive. In order to be eligible to receive the Distribution, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 6 July 2018.
9. As at the date of this notice, the Board comprises Mr. Eav Yin (Chairman), Ms. Eav Guech Rosanna and Mr. Duong Ming Chi, Henry as executive directors and Mr. Lai Si Ming, Ms. Wong Wing Yue, Rosaline and Mr. Lee Tat Cheung, Vincent as independent non-executive directors.