

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



ASIA COMMERCIAL HOLDINGS LIMITED

冠亞商業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 104)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2009

FINANCIAL HIGHLIGHTS

	2009 <i>HK\$million</i>	2008 <i>HK\$million</i>	Change %
Operations			
Turnover	619	475	30
Profit attributable to equity shareholders of the Company	40	61	(34)
Earnings per share — Basic	6.61 HK cents	11.36 HK cents	(42)
Interim dividend declared during the year	N/A	6	N/A
Final dividend proposed after the balance sheet date	6	6	—
	2009 <i>HK\$million</i>	2008 <i>HK\$million</i>	Change %
Financial position			
Total assets	462	438	5
Shareholders' funds	357	327	9

The Board of Directors (the “Board”) of Asia Commercial Holdings Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2009, together with the comparative figures for 2008.

The financial information set out in this announcement does not constitute the Group's statutory financial statements for the year ended 31st March 2009, but represents an extract from those financial statements. The financial information has been reviewed by the Company's audit committee.

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March

	<i>Notes</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Turnover	2	618,813	475,289
Cost of sales		<u>(389,520)</u>	<u>(277,198)</u>
Gross profit		229,293	198,091
Valuation (losses)/gains on investment properties		(4,500)	2,004
Other revenue	2	17,780	16,819
Distribution costs		(169,750)	(119,437)
Administrative expenses		(31,677)	(29,314)
Other operating expense, net		<u>(1)</u>	<u>(764)</u>
Profit from operations		41,145	67,399
Finance costs	4(a)	(25)	(913)
Other income/(expenses), net		<u>1,590</u>	<u>(488)</u>
Profit before taxation	4	42,710	65,998
Income tax	5	<u>(3,019)</u>	<u>(4,689)</u>
Profit for the year		<u>39,691</u>	<u>61,309</u>
Attributable to equity shareholders of the Company		<u>39,691</u>	<u>61,309</u>
Dividends payable to equity shareholders of the Company attributable to the year:	6		
Interim dividend declared during the year		—	6,007
Final dividend proposed after the balance sheet date		<u>6,007</u>	<u>6,007</u>
		<u>6,007</u>	<u>12,014</u>
Earnings per share	7		
Basic (HK cents)		<u>6.61</u>	<u>11.36</u>
Diluted (HK cents)		<u>6.61</u>	<u>11.36</u>

CONSOLIDATED BALANCE SHEET

As at 31st March

	Notes	2009 HK\$'000	2008 HK\$'000
Non-current assets			
Property, plant and equipment		33,312	23,801
Prepaid lease payments		4,274	4,583
Investment properties		56,285	60,579
Available-for-sale investments		2,180	2,180
		96,051	91,143
Current assets			
Inventories		274,681	201,313
Prepaid lease payments		67	71
Trade receivables, other receivables, deposits and prepayments	8	41,457	50,909
Cash and cash equivalents		49,571	94,496
		365,776	346,789
Current liabilities			
Trade payables, other payables and accrued charges	9	98,798	103,905
Income tax payable		281	1,500
Loan notes		2,898	—
		101,977	105,405
Net current assets		263,799	241,384
Total assets less current liabilities		359,850	332,527
Non-current liabilities			
Loan notes		—	2,910
Rental received in advance		2,418	2,493
		2,418	5,403
Net assets		357,432	327,124
Capital and reserves			
Share capital		60,070	60,070
Reserves		297,362	267,054
Total equity attributable to equity shareholders of the Company		357,432	327,124

Notes:

1. BASIS OF PREPARATION

The annual results of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, and the disclosure requirements of the Hong Kong Companies Ordinance. These annual results also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited. The annual results have been prepared under the historical cost convention, as modified by the revaluation of buildings, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and investment properties.

In the current year, the Group has, where applicable, applied the following amendments and interpretations (“new HKFRSs”) issued by HKICPA which are or have become effective:

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) — INT 12	Service Concession Arrangements
HK(IFRIC) — INT 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior adjustment is required.

The Group has not early adopted any of the following new and revised standards, amendments or interpretations which have been issued but are not yet effective for annual periods beginning on 1st April 2008:

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ⁸
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendments)	Eligible Hedged Items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards ³
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments ²
HKFRS 8	Operating Segments ²
HK(IFRIC) — INT 9 & HKAS 39 (Amendments)	Reassessment of Embedded Derivatives ⁷
HK(IFRIC) — INT 13	Customer Loyalty Programmes ⁴
HK(IFRIC) — INT 15	Agreements for the Construction of Real Estate ²
HK(IFRIC) — INT 16	Hedges of a Net Investment in a Foreign Operation ⁵
HK(IFRIC) — INT 17	Distributions of Non-cash Assets to Owners ³
HK(IFRIC) — INT 18	Transfers of Assets from Customers ⁶

- ¹ Effective for annual periods beginning on or after 1st January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July 2009.
- ² Effective for annual periods beginning on or after 1st January 2009.
- ³ Effective for annual periods beginning on or after 1st July 2009.
- ⁴ Effective for annual periods beginning on or after 1st July 2008.
- ⁵ Effective for annual periods beginning on or after 1st October 2008.
- ⁶ Effective for transfer of assets from customers received on or after 1st July 2009.
- ⁷ Effective for annual periods ending on or after 30th June 2009.
- ⁸ Effective for annual periods beginning on or after 1st January 2009, 1st July 2009 and 1st January 2010, as appropriate.

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July 2009.

HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

The Company's directors anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. TURNOVER AND OTHER REVENUE

Turnover represents the gross proceeds received and receivable derived from the sale of watches and property leasing and is summarised as follows:

	2009	2008		
	<i>HK\$'000</i>	<i>HK\$'000</i>		
Turnover				
Sales of watches	615,735	473,791		
Gross rental income from properties	<u>3,078</u>	<u>1,498</u>		
	618,813	475,289		
Other revenue				
Interest income from short-term bank deposits	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">23</td></tr></table>	23	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">3,294</td></tr></table>	3,294
23				
3,294				
Other interest income	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">251</td></tr></table>	251	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">972</td></tr></table>	972
251				
972				
Total interest income on financial assets not at fair value through profit or loss	274	4,266		
Customer services income and others	<u>17,506</u>	<u>12,553</u>		
	<u>17,780</u>	<u>16,819</u>		
	<u><u>636,593</u></u>	<u><u>492,108</u></u>		

3. SEGMENT INFORMATION

(i) Business Segment

Details of the segment information by business segment are as follows:

	2009		Consolidated HK\$'000
	Sales of watches HK\$'000	Others* HK\$'000	
Turnover			
External sales	<u>615,735</u>	<u>3,078</u>	<u>618,813</u>
Segment results	<u>58,142</u>	<u>1,371</u>	59,513
Unallocated operating expenses			<u>(14,142)</u>
Operating profit			45,371
Valuation losses on investment properties	—	(4,500)	(4,500)
Interest income			274
Finance costs			(25)
Other income/(expenses), net			
— allocated	(1,305)	—	(1,305)
— unallocated			2,895
			<u>1,590</u>
Profit before taxation			42,710
Income tax			<u>(3,019)</u>
Profit for the year			<u>39,691</u>

* Others included property leasing income.

	2008		Consolidated HK\$'000
	Sales of watches HK\$'000	Others* HK\$'000	
Turnover			
External sales	<u>473,791</u>	<u>1,498</u>	<u>475,289</u>
Segment results	<u>77,702</u>	<u>198</u>	77,900
Unallocated operating expenses			<u>(16,771)</u>
Operating profit			61,129
Valuation gains on investment properties	—	2,004	2,004
Interest income			4,266
Finance costs			(913)
Other expenses, net			
— allocated	(126)	—	(126)
— unallocated			(362)
			<u>(488)</u>
Profit before taxation			65,998
Income tax			<u>(4,689)</u>
Profit for the year			<u>61,309</u>

* Others included property leasing income.

(ii) **Geographical Segment**

Details of the segment information by geographical segment are as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Segment revenue		
The People's Republic of China, excluding Hong Kong	520,569	468,863
Hong Kong	97,358	5,602
Switzerland	405	438
Others*	481	386
	<u>618,813</u>	<u>475,289</u>

* Others included U.S.A..

4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Loan notes:		
Interest payable	25	37
Amortisation of premium	<u>—</u>	<u>876</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<u>25</u>	<u>913</u>

(b) Staff costs

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Salaries, wages and other benefits (including directors' fee and emoluments)	67,408	59,849
Retirement benefits scheme contribution, net of forfeited contribution of HK\$Nil (2008: HK\$Nil)	<u>408</u>	<u>369</u>
	<u>67,816</u>	<u>60,218</u>

(c) Other items

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Rental receivable from investment properties less direct outgoings of HK\$146,000 (2008: HK\$119,000)	(2,887)	(1,340)
Net exchange loss	244	1,240
Auditors' remuneration		
Audit services	845	883
Other services	250	448
Depreciation	14,299	7,571
Amortisation for prepaid lease payments	71	111
Bad debts written off	1	763
Write back of inventories	(17,209)	(22,535)
Operating lease rentals in respect of rented premises:		
Minimum lease payments	69,272	37,734
Cost of inventories recognised as expenses	<u>389,520</u>	<u>277,198</u>

5. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current:		
Hong Kong	—	—
Outside Hong Kong	<u>3,019</u>	<u>4,689</u>
	<u>3,019</u>	<u>4,689</u>

On 26th June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced the corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/09. Therefore, Hong Kong Profits Tax is calculated at a rate of 16.5% (2008: 17.5%) of the estimated assessable profit for the year. No Hong Kong Profits Tax is provided because the assessable profits generated during the year are set off by the accumulated tax losses brought forward from previous years.

Taxation for overseas subsidiary companies is provided at the appropriate current rates of taxation ruling in the relevant countries.

6. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
No interim dividend declared and paid (2008: 1 HK cent per share)	—	6,007
Final dividend proposed after the balance sheet date of 1 HK cent per share (2008: 1 HK cent per share)	<u>6,007</u>	<u>6,007</u>
	<u><u>6,007</u></u>	<u><u>12,014</u></u>

At a board meeting held on 13th July 2009, the directors proposed a final dividend of 1 HK cent per share for the year ended 31st March 2009. This proposed dividends is not reflected as dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31st March 2010.

(b) Dividends payable to equity shareholders of the Company attributable to the previous year, approved and paid during the year

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of 1 HK cent per share (2008: Nil HK cent per share)	<u>6,007</u>	<u>—</u>

7. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share attributable to the equity shareholders of the Company is based on the following data:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit for the year attributable to the equity shareholders of the Company for the purpose of basic earnings per share	<u>39,691</u>	<u>61,309</u>
	Number of shares	
	2009	2008
Weighted average number of ordinary shares at 31st March	<u>600,695,128</u>	<u>539,837,497</u>

(b) Diluted earnings per share

Diluted earnings per share equals to the basic earnings per share as there were no potential dilutive ordinary shares outstanding for both years presented.

8. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The Group allows credit period of ranging from cash on delivery to 90 days to its trade receivables. The aging analysis of trade receivables of HK\$20,322,000 (2008: HK\$30,960,000) which are included in the Group's trade receivables at the balance sheet date is as follows:

	The Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables		
Up to 90 days	20,119	30,658
91 to 180 days	53	55
Over 180 days	<u>150</u>	<u>247</u>
	20,322	30,960
Allowance for doubtful debts	<u>(8)</u>	<u>(8)</u>
	20,314	30,952
Other receivables	<u>3,080</u>	<u>3,573</u>
Loans and receivables	23,394	34,525
Deposits and prepayments	<u>18,063</u>	<u>16,384</u>
	<u>41,457</u>	<u>50,909</u>

The carrying amounts of trade receivables, other receivables, deposits and prepayments at 31st March 2009 approximated their fair value.

The carrying amounts of 76% (2008: 75%) of the Group's trade receivables are denominated in Renminbi.

All of the trade receivables are expected to be recovered within one year.

9. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

Included in trade payables, other payables and accrued charges are trade payables of HK\$28,775,000 (2008: HK\$40,104,000), the aging analysis of which at the balance sheet date is as follows:

	The Group	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables		
Up to 90 days	27,848	39,791
91 to 180 days	283	—
Over 180 days	<u>644</u>	<u>313</u>
	28,775	40,104
Other payables and accrued charges	24,282	22,888
Deposits received	1,981	2,003
Other tax payable	<u>43,760</u>	<u>38,910</u>
Financial liabilities measured at amortised cost	<u>98,798</u>	<u>103,905</u>

The fair value of the Group's trade payables, other payables and accrued charges at 31st March 2009 approximated their fair value.

The carrying amounts of trade payables of the Group are mainly denominated in Renminbi.

All of the other trade payables and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

10. PLEDGE OF ASSETS

As at 31st March 2009, the Group's general banking facilities were secured by certain leasehold properties and prepaid lease payments with carrying value of HK\$1,192,000 (2008: HK\$1,283,000) and HK\$551,000 (2008: HK\$556,000) respectively as well as certain investment properties at valuation of HK\$39,600,000 (2008: HK\$14,800,000).

11. CONTINGENT LIABILITIES

So far as the Directors are aware, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration or claims which is, in the opinion of the Directors, of material importance and no litigation or claims which is, in the opinion of the Directors, of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the second half of 2008, the financial tsunami triggered by the US sub-prime mortgage crisis was spreading widely throughout the globe. The stock markets of all regions slumped rapidly. The instability of the banking system and credit crunches, together with the rapid economic downturn of many countries weakened the consumer markets. Since the Group has been focusing on the high end watch retailing market, our business was affected. Although the full year turnover increased by HK\$144 million as compared with last year, the performance in the second half fell behind that of the first half. Same shop average sales growth during the year maintained double digit growth. With regard to the operating profit, competition in the high end watch retailing market became more intense as the economic situation continued to deteriorate. Comparing with last year, the operating profit for the year declined by 39% to HK\$41 million, whereas net profit attributable to shareholders decreased by 34% to HK\$40 million.

The principal place of operation of the Group is still in China. “TIMECITY” is the first watch retail chain store run by a foreign company. The renovation of the Beijing flagship store was completed and has started operation during the year. Its performance was satisfactory. In the second half of the year we also opened our flagship store in Shanghai with watches from Vacheron Constantin, Rolex and Breguet.

In order to enhance operational efficiency, the Group regularly reviews its operation strategy, continuously adjusts its retailing network and closes down non-performing POSs. During the year under review, we closed down 1 POS while opened 4 new POSs. After restructuring, the distribution of the Group’s retail network in China was summarised as below:

	As at 31st March 2009	As at 31st March 2008
Beijing	6	6
Shanghai	10	9
Shenyang	8	6
Chengdu, Chongqing, Urumuqi and Xiamen	4	5
Hong Kong	1	—
	<u>29</u>	<u>26</u>

With more new stores gradually put in operation, the Group’s distribution expenses increased by 43% during the year mainly due to rentals from new POSs opened and increased staff costs. Inventory also increased by 37% as compared with last year to cope with increased business volume. By adopting an effective human resources management policy in the rapidly changing economic environment, the administrative expenses were more or less the same as last year. With regard to gross profit margin, as a result of the intense competition during the year, the Group increased its marketing efforts in order to maintain its market position and competitiveness. Therefore, the gross profit margin declined to 37%, which was below last year of 42%.

Financial Review

Results review

The Group recorded turnover of HK\$619 million for the year ended 31st March 2009 (2008: HK\$475 million) representing an increase of 30% (2008: 28%) over the last year. The increase was attributable to the contribution from our new POSs compared with the prior reporting year.

Distribution costs increased by 43% to HK\$170 million mainly due to increase in rental expenses and staff costs as more POSs came into operation during the year. Administrative expenses also rose 10% from HK\$29 million to HK\$32 million.

As the property market in Hong Kong slumped during the year, our investment properties recorded valuation losses of HK\$4.5 million (2008: valuation gains of HK\$2 million).

Liquidity and financial resources

As at 31st March 2009, the Group's total cash balance amounted to HK\$50 million (2008: HK\$94 million). The decrease was mainly due to additional inventories acquired and renovation expenses incurred for the opening of new POSs during the year. The Group has a banking facilities amounting to HK\$40 million which is not utilised during the year. Gearing rate of the Group, expressed as a ratio of total borrowing over total equity, was 1% as at 31st March 2009 (2008: 1%).

Foreign exchange risks

The Group views its main currencies as Hong Kong dollars, Renminbi and Swiss Francs. The Group monitors its exposure to foreign exchange risks, and when it considers necessary and appropriate, will hedge its foreign exchange risks by using financial instruments.

PROSPECTS

The global economy entered into recession in 2009 and market sentiment continued to decline. Despite that the PRC Government's intention to uphold the economic growth and to maintain economic vitality by boosting domestic demand, the economy will be still affected by the influence of the globalisation, and impact on high end watch retailing market.

Under the depressed operating environment, the Group will take a prudent business development strategy in order to preserve its resources to face future challenges. Strengthening retailing network in China through opening new or expanding existing POSs, as well as recruiting more retail professionals are still the mainstream directions of Group's future business development. The renovation of the Group's enlarged Rolex and Tudor boutique in Hong Kong was completed shortly after the year end. In Shenyang, the Group has also opened its fourth Vacheron Constantin boutique in May 2009. The Group will also search for new business opportunities in the second-tier cities in PRC with strong domestic buying power.

Timecity has been authorised as retailer of many top brands of watches. The management will monitor the sales performance of these brands on a regular basis and will adjust the brand mix in order to achieve optimal sales turnover.

In order to increase the cost-effectiveness, the Group will adopt a revenue-generating and cost-reducing policy to reinforce operational management. It will also make use of ERP system to strengthen the inventory control in order to improve efficiency. In addition, the Group will enforce risk management on corporate risks and will not purchase any high-risk, highly leveraged financial derivative products.

The global economy in the first half of 2009 is forecasted to be sluggish with a lot of uncertainties in the future prospect. However, the Group's management strongly believes that the economic recession will soon bottom out. The global economic activities are expected to pick-up gradually and the consumer market will improve starting from the end of this year to early next year. The Group will consolidate its strengths at the time of adversity, and aims to create a more sustainable business success when the economy recovers.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices by emphasising a quality board of directors, sound internal control, transparency and accountability to all the shareholders of the Company.

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited throughout the year ended 31st March 2009 except for the deviation from code provision A.4.1 and those discussed below:

The Company was incorporated in Bermuda and enacted by private act, the Asia Commercial Holdings Limited Company Act, 1989 of Bermuda (the "1989 Act"). Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting as provided in the Bye-Laws.

As the Company is bounded by the provisions of the 1989 Act, at this time, the Bye-Laws cannot be amended to fully reflect the requirements of the Code. As such, a special resolution was passed at the special general meeting held on 28th March 2007 to amend the Bye-Laws of the Company so that, inter alia, (i) every director (save for a director holding office as Chairman or Managing Director) of the Company shall be subject to retirement by rotation at least once every three years; (ii) a director may be removed by an ordinary resolution in general meeting instead of a special resolution; and (iii) any director appointed by the Board to fill a casual vacancy or as an additional director shall hold office until the next following general meeting, instead of the next annual general meeting.

To enhance good corporate governance practice, Mr. Eav Yin, the Chairman of the Board has confirmed to the Board that he will voluntarily retire from his directorship at annual general meeting of the Company at least once every three years in order for the Company to comply with the Code, provided that being eligible for re-election, he may offer himself for re-election at the annual general meeting.

Code provision A.4.1 of the Code provides that non-executive director should be appointed for a specific term, subject to re-election.

During the year, the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years and re-election at annual general meeting in accordance with the Company's Bye-Laws. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the Code.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

Compliance of the Model Code for Securities Transaction by Directors of Listed Issuers

All Directors have confirmed that they complied with the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules throughout the year under review.

OTHER INFORMATION

Final Dividend

The Directors have proposed a final dividend of 1 HK cent per share for the year ended 31st March 2009 (2008: 1 HK cent per share) subject to the approval by shareholders at the forthcoming Annual General Meeting. The period for closure of register of members of the Company and the date of Annual General Meeting will be announced later.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of Company's listed securities on the Stock Exchange during the year.

Employees and Remuneration Policy

There were 525 employees in the Group as at 31st March 2009. The Group offers competitive remuneration packages to employees in line with market trends. Incentives such as discretionary bonuses and staff share options are offered to motivate employees.

Audit Committee

The Audit Committee is responsible for assisting the Board in safeguarding the Group's assets by providing an independent review of the effectiveness of the financial reporting process and the internal controls and risk management systems of the Group. It also performs other duties as assigned by the Board. All the members of our Audit Committee are independent non-executive Directors.

Scope of work of CCIF CPA Limited

The figures in respect of the announcement of the Group's results for the year ended 31st March 2009 have been agreed by the Group's auditor, CCIF CPA Limited to the amounts set out in the Group's audited financial statements for the year. The work performed by the CCIF CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCIF CPA Limited on the announcement.

EXPRESSION OF GRATITUDE

The Board would like to take this opportunity to express its gratitude to all staff members, shareholders, bankers, customers, suppliers and professional advisors for the sincere support to the Group.

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

Hong Kong, 13th July 2009

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

* *For identification purpose only*