
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Asia Commercial Holdings Limited, you should at once hand this circular, together with the enclosed 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 transmission to the purchaser or 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 SUBDIVISION OF SHARES****AND****CHANGE OF BOARD LOT SIZE****NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the SGM to be held at Board room, Dynasty Club, 7th Floor, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong at 10:00 a.m. on Friday, 12th November 2010 is set out at the end of this circular.

If you are not able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company 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 less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. 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 if you so wish.

* For identification purposes only

27th October 2010

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Accompanying document: proxy form for the SGM

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Share Subdivision, the change of board lot size and the associated trading arrangements:

	Time	Date
Latest time for lodging forms of proxy for the SGM	10:00 a.m.	Wednesday, 10th November 2010
SGM	10:00 a.m.	Friday, 12th November 2010
Publication of poll results of the SGM		Friday, 12th November 2010
Effective date of the Share Subdivision		Monday, 15th November 2010
Dealings in the Subdivided Shares commence	9:30 a.m.	Monday, 15th November 2010
Original counter for trading in existing Shares in board lots of 1,000 Shares temporarily closes	9:30 a.m.	Monday, 15th November 2010
Temporary counter for trading in board lots of 5,000 Subdivided Shares (in the form of Existing Share Certificates) opens	9:30 a.m.	Monday, 15th November 2010
First day of free exchange of Existing Share Certificates for the New Share Certificates		Monday, 15th November 2010
Original counter for trading in Subdivided Shares in board lots of 5,000 Subdivided Shares (in the form of New Share Certificates) re-opens	9:30 a.m.	Monday, 29th November 2010
Parallel trading in Subdivided Shares (in the form of New Share Certificates and Existing Share Certificates) commences	9:30 a.m.	Monday, 29th November 2010
Temporary counter for trading in board lots of 5,000 Subdivided Shares (in the form of Existing Share Certificates) closes	4:00 p.m.	Friday, 17th December 2010
Parallel trading in Subdivided Shares (in the form of New Share Certificates and Existing Share Certificates) ends	4:00 p.m.	Friday, 17th December 2010
Last day for free exchange of Existing Share Certificates for New Share Certificates		Wednesday, 22nd December 2010

Note: All time and dates refer to Hong Kong local time and dates

Further announcement will be made by the Company for changes, if any, to the expected timetable.

DEFINITIONS

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

“Board”	the board of Directors
“business day”	has the meaning ascribed to it in the Listing Rules
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Asia Commercial Holdings Limited (stock code: 104), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Conversion Price”	the conversion price, presently at HK\$0.84 per Share, at which the outstanding principal amount of a Convertible Note is convertible into new Shares
“Convertible Notes”	the convertible notes in an aggregate principal amount of HK\$100,800,000 issued by the Company on 27th September 2010, as announced in the announcements of the Company dated 31st August 2010 and 27th September 2010 respectively
“Directors”	the directors of the Company
“Existing Share Certificate”	existing form of certificate for a Share
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22nd October 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Certificate”	form of certificate of a Subdivided Share

DEFINITIONS

“Plan”	the rules of a share award plan entitled “Share Award Plan (2010)” adopted by the Company at a special general meeting held on 13th 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 25th August 2010
“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
“SGM”	the special general meeting of the Company to be convened at 10:00 a.m. on Friday, 12th November 2010 for the purpose of considering and, if thought fit, approving the Share Subdivision, the notice of which is set out at the end of this circular
“Shareholders”	the holders of the Shares
“Shares”	ordinary shares of par value of HK\$0.10 each in the share capital of the Company before the Share Subdivision becoming effective
“Share Subdivision”	the proposed subdivision of each of the existing issued and unissued Shares of par value of HK\$0.10 each in the share capital of the Company into 5 Subdivided Shares of par value of HK\$0.02 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Shares”	ordinary shares of par value of HK\$0.02 each in the share capital of the Company upon the Share Subdivision becoming effective

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)

Executive Directors:

Mr. Eav Yin (*Chairman*)
Mr. Eav Ming Keong, Kinson
Mr. Au Shiu Leung, Alex

Independent Non-executive Directors:

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

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

27th October 2010

To the Shareholders

and, for information only, holders of the Convertible Notes

Dear Sir or Madam,

PROPOSED SUBDIVISION OF SHARES AND CHANGE OF BOARD LOT SIZE

INTRODUCTION

Reference is made to the announcement of the Company dated 18th October 2010 in relation to, among other things, the Share Subdivision and the change in board lot size.

The purpose of this circular is to provide you with (i) details of the Share Subdivision; (ii) the trading arrangements in respect of the Subdivided Shares; (iii) the procedure for the free exchange of the Existing Share Certificates for the New Share Certificates for the Subdivided Shares; and (iv) the notice of the SGM.

* For identification purposes only

LETTER FROM THE BOARD

PROPOSED SUBDIVISION OF SHARES AND CHANGE OF BOARD LOT SIZE

The Board proposes that each of the existing issued and unissued Shares of par value of HK\$0.10 each in the share capital of the Company be subdivided into 5 Subdivided Shares of par value of HK\$0.02 each. The Share Subdivision will become effective upon the fulfillment of the conditions set out in paragraph headed “Conditions of the Share Subdivision” below.

The Shares are currently traded in board lots of 1,000 Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 5,000 Subdivided Shares. Based on the closing price of HK\$2.20 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the prevailing board lot value is HK\$2,200 in the board lot size of 1,000 Shares and, based on the theoretical adjusted closing price of the Subdivided Shares with reference to the closing price of HK\$2.20 per Share as at the Latest Practicable Date, the new estimated board lot value would be HK\$2,200 in the new board lot size of 5,000 Subdivided Shares.

The Share Subdivision and the change of board lot size will not result in any changes in the relevant rights of the Shareholders. The Share Subdivision will not result in any odd lots other than those already exist.

SHARE CAPITAL STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$100,000,000 divided into 1,000,000,000 Shares, of which 600,695,128 Shares are in issue and fully paid. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$100,000,000 divided into 5,000,000,000 Subdivided Shares, of which 3,003,475,640 Subdivided Shares will be in issue and fully paid, assuming that no further Shares are issued or repurchased after the date hereof.

Upon the Share Subdivision becoming effective, the Subdivided Shares will rank *pari passu* in all respects with each other. The Share Subdivision will not result in any change in relevant rights of the Shareholders.

CONDITIONS OF THE SHARE SUBDIVISION

The Share Subdivision is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the SGM for approving the Share Subdivision; and
- (b) the Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares.

LETTER FROM THE BOARD

REASONS FOR THE SHARE SUBDIVISION AND CHANGE OF BOARD LOT SIZE

The proposed Share Subdivision will reduce the nominal value and trading price of each Share and increase the total number of shares in issue. The Directors are of the view that the increase in number of the shares of the Company as a result of the Share Subdivision will improve the liquidity in the trading of the Subdivided Shares, thereby enabling the Company to attract more investors and broaden its Shareholders' base.

Other than the expenses incurred by the Company in relation to the Share Subdivision, the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interest of the Shareholders. The Board considers the Share Subdivision to be in the interests of the Company and its Shareholders as a whole.

ADJUSTMENT TO CONVERSION PRICE

As at the Latest Practicable Date, the aggregate outstanding principal amount of the Convertible Notes are HK\$100,800,000, which is convertible into new Shares at the initial Conversion Price of HK\$0.84 per Share. The conditions of the Convertible Notes provide that upon the Share Subdivision being effected, the Conversion Price currently at HK\$0.84 will be proportionately decreased to the expected price of HK\$0.168 per Subdivided Share. On such basis, full conversion of the HK\$100,800,000 Convertible Notes will result in issue of 600,000,000 new Subdivided Shares. The holders of the Convertible Notes will be notified of the adjusted Conversion Price in due course. The Company will also issue announcement about the adjusted Conversion Price in due course.

THE SHARE OPTION SCHEME (2002) AND THE PLAN

The Company adopted the Plan at a special general meeting held on 13th September 2010. As at the Latest Practicable Date, there was no outstanding option granted under the Share Option Scheme (2002) and the Company had not made any award of Shares under the Plan since its adoption.

Subject to the Share Subdivision becoming unconditional and effective, if the Company grants or issues any options under the Share Option Scheme (2002) or makes any award of Shares under the Plan before the effective date of the Share Subdivision, there will be adjustments to the exercise price and underlying shares of the options and awards, to the extent that they are still outstanding as at such effective date, and confirmations on those adjustments will be issued by the auditors or independent financial adviser of the Company in accordance with the Listing Rules, the requirements of the Stock Exchange and the respective rules of the Share Option Scheme (2002) and the Plan. In such eventuality, the Company will comply with the applicable rules in the Listing Rules (including issuance of announcements) and the rules of the Share Option Scheme (2002) and the Plan as and when required.

LETTER FROM THE BOARD

LISTING AND DEALING

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subdivided Shares. Other than on the Stock Exchange, the securities of the Company are not listed or dealt in on any stock exchange nor the listing or permission to deal in the securities of the Company is being or is proposed to be sought on any stock exchange. All necessary arrangements will be made and subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided 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 Subdivided Shares on the Stock Exchange or such other date as may be 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

FREE EXCHANGE OF SHARE CERTIFICATES

The Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to Friday, 17th December 2010 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the Existing Share Certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for 5 Subdivided Shares and will be exchanged free of charge for the New Share Certificates for Subdivided Shares on any business day from Monday, 15th November 2010 to Wednesday, 22nd December 2010 at the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. After the expiry of such period, the Existing Share Certificates will be accepted for exchange only on payment of a prescribed fee of HK\$2.50 (or such higher amount as may, from time to time, be allowed by the Stock Exchange) for each Existing Share Certificate cancelled or each New Share Certificate issued, whichever number of share certificates cancelled or issued is higher. It is expected that the New Share Certificates will be available for collection within a period of 10 business days after the submission of the Existing Share Certificates. The New Share Certificates will be *green* in colour so as to be distinguished from the Existing Share Certificates which are *grey* in colour.

TRADING ARRANGEMENT FOR SUBDIVIDED SHARES

Subject to the Share Subdivision becoming effective, dealings in the Subdivided Shares are expected to commence on Monday, 15th November 2010. Parallel trading in the Subdivided Shares (in the form of Existing Share Certificates and New Share Certificates) will be operated from Monday, 29th November 2010 to Friday, 17th December 2010 (both dates inclusive). Full details of the expected timetable and trading arrangement of the Shares are set out on Page 1 of this circular.

SGM

The SGM will be convened at Board room, Dynasty Club, 7th Floor, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 12th November 2010 at 10:00 a.m. The notice of the SGM is set out at the end of this circular.

LETTER FROM THE BOARD

At the SGM, an ordinary resolution will be proposed to consider and, if thought fit, to approve the Share Subdivision. As no Shareholder has material interest in the Share Subdivision, no Shareholder is required to abstain from voting in respect of the proposed resolution to approve the Share Subdivision at the SGM.

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.

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 share 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.

RECOMMENDATION

The Board considers that the Share Subdivision and the change in board lot size are in the interests of the Company and its Shareholders as a whole.

The Board recommends the Shareholders to vote in favour of the resolution, as set out in the notice of the SGM at the end of this circular, approving the Share Subdivision at the SGM.

RESPONSIBILITY STATEMENT

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.

GENERAL

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

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 Board room, Dynasty Club, 7th Floor, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 12th November 2010 at 10:00 a.m. 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 approving the listing of, and granting the permission to deal in shares of HK\$0.02 each in the issued share capital of the Company, each of the issued and unissued shares of HK\$0.10 each in the ordinary share capital of the Company be sub-divided into five shares of HK\$0.02 each (the “Share Subdivision”) with effect from 9:30 a.m. on the business day following the day on which this resolution is passed by the shareholders of the Company, so that the authorised share capital of the Company will be HK\$100,000,000 divided into 5,000,000,000 ordinary shares of HK\$0.02 each immediately following the Share Subdivision, and any director be and is hereby authorised to sign and execute such documents and do all such acts and things as he considers necessary, desirable or expedient in connection with the implementation of or giving effect to the Share Subdivision.”

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

Hong Kong, 27th October 2010

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

* For identification purposes only

NOTICE OF SGM

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.