

19 October 2017

To: Australian Securities Exchange
Companies Announcement Office
Electronic Lodgment System

Dear Sir

AUSTCHINA HOLDINGS AGAIN CONGRATULATES UTILITAS

AustChina Holdings Limited (**ASX: AUH**) again congratulates the Utilitas Group Pty Limited (Utilitas) on the joint announcement of an alliance between PUF Ventures Australia (PVA) and Utilitas with regard to the establishment of a one million-square-foot greenhouse operation, with large scale manufacturing, processing and office facilities for the cultivation, production and manufacture of medical cannabis and associated products near the town of Casino, in the Northern Rivers region of New South Wales, Australia.¹

Utilitas is developing a bioHub, near the same location which will transform organic waste and waste water from the Richmond Valley region into energy, clean water and other valuable bio-products.

Through the alliance, PVA will have long term access to stable environmentally friendly energy, nutrients and reclaimed water generated by the Utilitas bioHub.

Utilitas and fractional investment fund manager DomaCom Australia Limited have launched Australia's first crowd-funding campaign to secure a site at Casino, northern NSW and develop a bioHub to service the energy needs of its nearby industries and community. This exciting "new-age" energy project aims to raise \$4.3m for the land and the development costs, after which Utilitas will enter a 10-year lease to operate the bioHub.

This announcement follows the recent announcement by The Honourable Annastacia Palaszczuk (Premier and Minister for the Arts) and The Honourable Dr Anthony Lynham (Minister for Natural Resources and Mines)¹ of the Queensland Government's support for an \$18m biorefinery project in Bundaberg involving Utilitas through the \$4m Biofutures Acceleration Program.²

AustChina has a shareholding in Utilitas of just under 26%.

Yours faithfully,

Anthony Chan – Chairman

Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer

¹ PUF Ventures Australia and Utilitas group to Build Sustainable Medicinal Cannabis Grow Facility -12 October 2017
<http://utilitas.com.au/news/casino-biohub-utilitas-pva-joint-venture/>

² "Bundy biorefinery generates jobs, green energy" - The Honourable Annastacia Palaszczuk (Premier and Minister for the Arts) and The Honourable Dr Anthony Lynham (Minister for Natural Resources and Mines) 13 September 2017