



Australia China Holdings Limited

ARBN 067 993 506

28 Bangalla Road, Rose Bay, NSW 2029, Australia

Email: sec@aakch.com

Company Announcement Office
Australian Stock Exchange Limited

By e-Lodgment

30 November 2016

Dear Shareholders,

Re: 30 September 2016 Interim financial Results

The Directors of Australia China Holdings Limited ('AAK') are pleased to report to Shareholders the Group's interim financial results for the half year ended 30 September, 2016 :

Financial results for the half year ended	30/09/2016	30/09/2015
	A\$	A\$
Revenue from operating activities	20,198	-
Loss before taxation	(461,879)	(980,889)
Net Loss	(461,879)	(980,889)
Basic earnings/(Loss) per share (cents)	(0.0276) ¢	(0.0259) ¢

Review of Operations

The Group is reporting a net loss of \$462,000 for the six months ended 30th September, 2016. The Group's revenue of \$20,198 has been derived from the provision of trading services to other companies.

The Groups business activities have remained the same as last year with no significant changes to these activities.

Business Prospects

The Group will continue to actively pursue business opportunities with it's focus on Asia, it intends to ride on China's "One Belt and One Road" project. The Company expects that this focus will continue to show improving results from these business pursuits.



Australia China Holdings Limited

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The Company continues to investigate and negotiate opportunities to expand its businesses primarily in the trading and e-commerce areas, which the Company believes will generate increased revenues and profits for the Group. The Company will continue to keep the market informed as opportunities arise.

Dividend

The Directors are not proposing any dividend payment for the half year ended 30 September, 2016.

Should you have any queries, please send your enquiry to the Company Secretary by emailing to sec@aakch.com.

Yours faithfully,

For and on behalf of

Australia China Holdings Ltd



Stanley Sek
Company Secretary

AUSTRALIA CHINA HOLDINGS LIMITED
(An Australian Listed Company)
(ARBN 067 993506)

Appendix 4D

Financial Report For The Half Year Ended 30th September 2016

1) The reporting period is 30th September 2016 and the previous corresponding period is 30th September 2015.

2) Results for announcement to the market:

		Half year ended 30th Sep.	
	Increase/ Decrease	2016	2015
2.1) Revenue from ordinary activities (AUD)	Increase 20198%	20,198	-
2.2) Profit/(Loss) from ordinary activities after tax attributable to members (AUD)	Decrease 53%	(461,879)	(980,889)
2.3) Net profit/(Loss) for the period attributable to members (AUD)	Decrease 53%	(461,879)	(980,889)

Basic earnings per share (AUD cents)
Diluted earnings per share (AUD cents)

Half year ended 30th Sep.	
2016	2015
(0.0276)	(0.0259)
(0.0252)	(0.0185)

2.4) Interim dividend

Amount per security
Franked amount per security

Half year ended 30th Sep.	
2016	2015
Nil	Nil
Nil	Nil

2.5) The record date for determining entitlements to the dividend

Nil	Nil
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2.6) The Group's loss reduced by 53% primarily as a result of providing business services and lacking off the a provision made in year 2015 .

3) Net tangible assets backing per share (AUD cents)
The paid-up shares were consolidated every 10 shares into 1 share in Oct of 2015

Half year ended 30th Sep.	
2016	2015
4.56	2.04

4) No acquisition or disposal of Controlled Entities for the half year ended 30th September 2016.

5) No dividend payment or payable.

6) No dividend or distribution reinvestment plans in operation.

7) Name of Associated Entity:

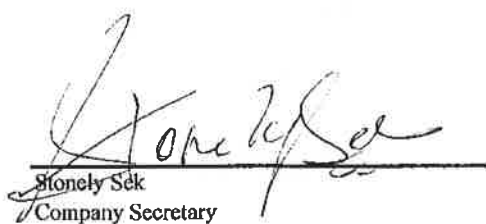
Associated Entity of Australia China Business Limited:

Sino (HK) International Corporate Investment Limited

Half year ended 30th Sep.	
2016	2015
Percentage Owned	
48%	48%

8) The audited half year financial report has been prepared in accordance with International Financial Reporting Standards.

9) The half year financial report has been reviewed and the independent review report is attached.


Stonely Sek
Company Secretary

Date : 30.11.2016

DIRECTORS' REPORT

The Directors present their report together with the half-year financial statements of Australia China Holdings Limited (the "Parent Entity") and its controlled entities (the "Economic Entity") for the half-year ended 30th September 2016 and the auditor's review report thereon.

Directors

The names of Directors in office as at the date of this report are:

Mason MS LAM	Deputy Chairman
Manuel SIN	Independent Non-Executive Director

Financial Result :

The result of the Economic Entity for the half- year ended 30th September 2016 is summarized as follows:

	30/9/2016	30/9/2015
	A\$	A\$
Revenue	20,198	-
Net Profit /(Loss)	(461,879)	(980,889)
Basic earnings(loss) per share (cents per share)	(0.0276) ¢	(0.0259) ¢

Principal Activities

Since the Company's operations are not sufficient to satisfy compliance with Chapter 12 of the Listing Rules. ASX has suspended the securities of the Company from trading under listing rule of 17.3 on 25th August 2016. The suspension will continue until such time as the Company is able to demonstrate compliance with Chapter 12 of the Listing Rules.

The Company continues to actively seek and review various revenue driven and profit making business for possible investment by the Company. Given the uncertainty in the assessment process it is difficult for the Company to provide a precise timeframe on potential acquisitions or investments. It is premature for any specific details to be provided in respect of the projects being evaluated. However, the Company believes that it would have a sufficient level of operations to justify continued quotation of the Company's securities on the ASX within the stipulated time.

Review of Operation

The Group's operating revenue for the half-year ended 30th September 2016 was A\$20,198 (2015: NIL) The increase of revenue generated was from providing business services to other entity. The Group's result was a loss of A\$461,879 (2015: loss A\$980,889).The reduction in loss was mainly due to lacking off a provision of A\$550,806 made in year 2015 and no financing cost due to loan repayment made and against the increase of operating expense in project development.

Notwithstanding the year's loss, the Group's operating cash flows remain positive. The Group's cash balance as at 30th September 2016 amount to A\$491,830 .

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company after the financial year.

AUSTRALIA CHINA HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

Dividend

No dividend were declared and received from the Economic Entity, the Parent Entity will not recommend any dividend for the interim period.

Australian Takeover Provisions

The listed Parent Entity is not subject to any takeover provision under the Australian Corporate Law.

Controlled Entities

Particulars of the Parent Entity's controlled entities are set out in note 11 to the financial statements.

Directors' service contracts

No Director of the Parent Entity has a service contract with the Parent Entity or any of the controlled entities. For Directors who are only Directors of the controlled entities, their contracts can all be terminated within one year and will only need to meet statutory compensations.

Directors' Rights to Acquire Shares

Apart from the share options detailed in "Directors' interests in contracts and shares", at no time during the six-months period was the Parent Entity a party to any arrangement to enable the Parent Entity's Directors or their associates to acquire benefits by means of the acquisition of shares or debentures of the Parent Entity or any other related body of corporate.

After Statement of Financial Position Date Events

Refer to Note 20 of the Financial Statements for the details of significant events subsequent to the statement of financial position date.

Likely development and expected results of operations

Over the years, the Company had been carrying out trading, e-commerce and business services in Hong Kong and China, and will be looking for investment opportunities to expand in these areas which will generate both revenue and profit for the group. The Company will make due announcement should there be any significant achievement.

Rounding of Amounts

The company is a type of company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars, or in certain case, to the nearest dollar.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporation Act 2001 is set out on page 4 and forms part of the directors' report for the half year-end 30th September 2016

Signed in accordance with a resolution of the Board of Directors



Mason MS Lam

Director

Date: 29.11.2016

AUSTRALIA CHINA HOLDINGS LIMITED

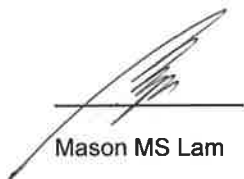
DIRECTORS' DECLARATION

The Directors declare that the consolidated financial statements and notes set out on pages 5 to 16

- (a) Comply with International Accounting Standards (IAS 34) Interim Financial Reporting and
- (b) Give a true and fair value of the Economic Entity's financial position as at 30th September 2016 and of its performance for the half year ended on that date.

In the Directors' opinion, there are reasonable grounds that the Parent Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors

A handwritten signature in black ink, appearing to be 'Mason MS Lam', is written over a horizontal line.

Mason MS Lam

Director

Date: 29 .11.2016

Auditor's Independence Declaration

To the Directors of Australia China Holdings Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as a lead auditor for the review of Australia China Holdings Limited for the half-year ended 30 September 2016, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

wkee.

Wallace Kee
Registered Company Auditor

Date: 30 November 2016

Registered Tax Agent
Approved SMSF Auditor
Registered Company Auditor

Wallace Kee, M.Tax, M.Com, CPA, CTA

Kee Partners is a CPA Practice



Tax agent
25298851

Liability limited by a
scheme approved under
Professional Standards
Legislation

AUSTRALIA CHINA HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016

		Economic Entity	
		30.9.2016	30.9.2015
CONTINUING OPERATIONS	Note	A\$'000	A\$'000
Revenue	3	20	-
Total Revenue		20	-
Administrative expenses		(482)	(408)
Provision for loss		-	(550)
Finance costs	5	-	(22)
Profit / (Loss) before income tax	4	(462)	(980)
Income tax expense	6	-	-
Profit/(Loss) for the half year		(462)	(980)
Other comprehensive (expense)/income:			
Provision for decreased in fair value of investment		(2,855)	-
Total comprehensive (expense)/income for the half year		(3,317)	(980)
Profit / (Loss) for the half year attributable to:			
Owners of the Parent Entity		(462)	(980)
Non- controlling interest		-	-
Total		(462)	(980)
Total profit or loss and other comprehensive income attributable to:			
Owners of the Parent Entity		(3,317)	(980)
Non- controlling interest		-	-
Total		(3,317)	(980)
Basic earnings per share (cents per share)	7	(0.0276) ¢	(0.0259) ¢
Diluted earnings per share (cents per share)	7	(0.0252) ¢	(0.0185) ¢

The accompanying notes form part of these financial statements

AUSTRALIA CHINA HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2016

		Economic Entity	
		30.9.2016	31.3.2016
	Note	A\$'000	A\$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	492	1,203
Receivables	9	996	975
Financial assets	13	-	1
TOTAL CURRENT ASSETS		1,488	2,179
NON-CURRENT ASSETS			
Deposits paid	10	75,613	75,613
Financial assets	13	317	3,172
Furniture & Fixture	14	15	17
TOTAL NON-CURRENT ASSETS		75,945	78,802
TOTAL ASSETS		77,433	80,981
LIABILITIES			
CURRENT LIABILITIES			
Payables and accruals	15	614	620
TOTAL CURRENT LIABILITIES		614	620
NON-CURRENT LIABILITIES			
Payables and accruals	15	571	796
TOTAL NON-CURRENT LIABILITIES		571	796
TOTAL LIABILITIES		1,185	1,416
NET ASSETS		76,248	79,565
EQUITY			
Share capital	17	1,674	1,674
Reserves		71,609	74,464
Retained earnings		2,965	3,427
TOTAL EQUITY		76,248	79,565

The accompanying notes form part of these financial statements.

AUSTRALIA CHINA HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016

Economic Entity	Share Capital	Contributed Surplus	Share Premium	Options Reserve	Other Components of equity	Retained Earnings	Total
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Balance at 31st March 2015	72,505	-	-	343	-	2,313	75,161
Total comprehensive income(expense) for financial year	-	-	-	-	-	1,114	1,114
<u>Transactions with owners :</u>							
Issue of shares	1,580	-	1,972	-	-	-	3,552
Contribution surplus	(72,411)	72,411	-	-	-	-	-
Share options							
-granted under ESOS	-	-	-	26	-	-	26
-expense on expired option	-	-	-	(288)	-	-	(288)
	(70,831)	72,411	1,972	(262)	-	-	3,290
Balance at 31st March 2016	1,674	72,411	1,972	81	-	3,427	79,565
Profit /(Loss) for the half year	-	-	-	-	-	(462)	(462)
Other comprehensive income /(expense)	-	-	-	-	(2,855)	-	(2,855)
Total comprehensive income(expense) for the half year	-	-	-	-	(2,855)	(462)	(3,317)
<u>Transactions with owners :</u>							
	-	-	-	-	-	-	-
Balance at 30th September 2016	1,674	72,411	1,972	81	(2,855)	2,965	76,248

AUSTRALIA CHINA HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016

	Economic Entity	
	30.9.2016	30.9.2015
	A\$'000	A\$'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Payments to suppliers and employees	(495)	(442)
Net cash used in operating activities	(495)	(442)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Furniture & Fixture	-	(21)
Net cash used in investing activities	-	(21)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan repayment	(230)	-
Advances from/(to) related parties	-	485
Net cash from financing activities	(230)	485
Net (decrease)/increase in cash held	(725)	22
Effect of exchange rates	14	5
	(711)	27
Cash at the beginning of the period	1,203	12
Cash at the end of the period	492	39

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016

Note 1 : Basis of Preparation

The half year financial report is a general purpose financial report that has been prepared in accordance with International Accounting Standards Interim Financial Reporting (IAS 34).

The half year financial report is presented in Australian Dollars.

The half year financial report does not include full disclosures of the type normally included in an annual financial report.

As such, it is recommended that this financial report be read in conjunction with the annual financial report for the financial year ended 31st March 2016 and any public announcements made by Australia China Holdings Limited during the half year ended 30th September 2016 in accordance with continuous disclosure requirements.

(a) Reporting Basis and Conventions

The half year financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

The half year financial report has been prepared using the same accounting policies as used in the audited annual report for the year ended 31st March 2016.

(b) Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including key resources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 September 2016.

Note 2 : Fundamental Accounting Concept

The Directors believe that the Group will be able to continue to meet day to day obligation and that it is appropriate for the financial statements to be prepared on a going concern basis.

The Directors regularly monitor the Group's cash position, to ensure that adequate funding continues to be available. The Group has the capacity, if necessary, to reduce its operating cost in order to minimise its working capital requirement.

	Economic Entity	
	30.9.2016	30.9.2015
	A\$'000	A\$'000
Note 3 : Revenue		
Operating activities		
- Business services *	20	-
Non –operating activities	-	-

* The revenue generated was from providing business services to other entity. Australia China Capital Group Limited , a wholly owned subsidiary of Australia China Holdings Limited , signed an agreement with Lido Entertainment Limited in April 2016 to provide business services to the company.

AUSTRALIA CHINA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016

Note 4 : Profit / (Loss) before Income Tax

	Economic Entity	
	30.9.2016	30.9.2015
	A\$'000	A\$'000
After charging :		
Listing related expense	21	40
Lease related expense	77	136
Audit fee *	6	6
Finance cost	-	22
Director's fee	12	22
Employee benefit expense	56	51
Depreciation	2	2

*The Audit fee related to review of the half yearly financial report performed by the auditor at \$5,500 (2015: \$5,500).

Note 5 : Finance Costs

There were no finance costs and interest expense during the half year ended 30th September 2016.

Note 6 : Income Tax Expense

No provision for tax has been made as the Economic Entity did not generate any assessable profits arising in Australia, China and Hong Kong during the half year ended 30th September 2016 (2015: Nil).

Note 7 : Earnings Per Share ("EPS")

	Economic Entity	
	30.9.2016	30.9.2015
	A\$'000	A\$'000
Profit attributable to shareholders	(462)	(980)
Earnings used in the calculation of basic and dilutive EPS	(462)	(980)
	Unit in '000	Unit in '000*
Weighted average number of ordinary shares outstanding during the financial year used in calculating basic EPS	1,673,820	378,389
Weighted average number of share options outstanding	156,100	150,600

* For comparative purposes, the numbers of shares on issue at 30.9.2015 has been adjusted to reflect the 10:1 consideration of shares .

Note 8 : Cash and Cash Equivalents

	Economic Entity	
	30.9.2016	31.3.2016
	A\$'000	A\$'000
Cash on hand	1	1
Cash at bank	491	1,202

AUSTRALIA CHINA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016

Note 9 : Receivables

	Economic Entity	
	30.9.2016	31.3.2016
	A\$'000	A\$'000
Receivables from other company	949	948
Receivable from other party	20	-
Other receivables	27	27
Total receivables	996	975

Note 10: Deposits paid

	30.9.2016	31.3.2016
	A\$'000	A\$'000
Deposits paid on farmland in Inner Mongolia, China	75,613	75,613

Eco-Agriculture Group Limited (ECO), a wholly owned subsidiary of Australia China Development Limited, which is wholly owned by the Parent Entity entered into a contract to acquire 95% interest in a 2,133 hectares of farm land in Inner Mongolia with the total consideration of A\$75,613,290 in 2007. The title of the land will transferred to a joint venture company incorporated in China whereas the Group will hold 95% of the issued share capital of the joint venture company. As at 30 September 2016, the joint venture company is not yet incorporated and the title of the land is not yet transferred to the Group. The Group engaged Blesswin Investments Limited, one of the major shareholders of the company to manage the registration process and the title transfer. A fee A\$800,041 has been agreed and paid to Blesswin on the condition that if the title transfer process is unsuccessfully, Blesswin will refund the agreed fee to the Group. The amount paid was recorded as part of the Receivables from other companies (refer to Note 9)

The company is confident that the joint venture company will be incorporated soon and the title transfer will take place within the next 6 months. According to the contract with the vendor, the vendor will refund the whole amount of deposit paid to the Group if the title transfer is finally failed.

Note 11 : Controlled Entities

(a) Details of Controlled Entities

	Country of Incorporation	30.9.2016	31.3.2016	
Parent Entity:				
Australia China Holdings Limited	Bermuda	N/A	N/A	Holding
Controlled Entities of Australia China Holdings Limited:				
*Australia China Development Limited	BVI	100%	100%	Investment Holding
*Australia China Business Limited	BVI	100%	-	Investment Holding
# Australia China Capital Group Limited	Hong Kong	100%	100%	Investment
Controlled Entities of Australia China Development Limited:				
* Australia China Capital Limited	BVI	100%	100%	Fund Management
# ECO-Agriculture Group Limited	Hong Kong	100%	100%	Property Holding
Controlled Entity of Australia China Capital Group Limited:				
*Australia China Business Limited	BVI	-	100%	Investment Holding

* Controlled Entities audited by another firm of Accountants

These Controlled Entities have not been reviewed as they are not required to be reviewed in their corresponding jurisdictions. However, review procedures on consolidation have been applied by the auditors on the financial statements of these Controlled Entities.

AUSTRALIA CHINA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016

Note 12 : Associated Entity	Country of Incorporation	Percentage Owned		Principal Activities
Associated Entity of Australia China Business Limited:		30.09.2016	31.03.2016	
Sino (HK) International Corporate Investment Limited	Hong Kong	48% [#]	48% [#]	Business consultancy

No equity accounting was applied in the consolidated financial statements since the investment and the loss in the associate entity during the half year were not material.

^- Held through Associated entities

	Note	30.9.2016	31.3.2016
Note 13 : Financial Assets		A\$'000	A\$'000
At fair value through profit or loss (Current)	(a)	-	1
Available-for-sale financial assets (Non-Current)	(b)	317	3,172
		317	3,173

(a) At Fair Value Through Profit or Loss

Listed investments, at fair value

- shares in other listed company *

* shares were transferred

(b) Available-For-Sale Financial Assets

Unlisted investments, at cost

-unquoted investments

-unrealised loss for decrease in fair value

(c)

Carried amount

-	1
3,172	3,172
(2,855)	-
317	3,172

(c). The total cost of these investments amounted to \$3.2m. Based on the

Directors' assessment of impairment, the assets value of these investments at the half year ended 30th September 2016 was less than the cost. A provision of 90% of the costs was made.

Note 14 : Furniture & Fixture	30.9.2016	31.3.2016
	A\$'000	A\$'000
Balance brought forward	17	-
Acquisition during the half year	-	21
Depreciation	(2)	(4)
Balance carried forward	15	17

AUSTRALIA CHINA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016

Note 15 Payable	30. 9.2016	31.3.2016
	A\$'000	A\$'000
Payable – Current Portion	614	620
Payable – Non-current Portion	571	796

Note 16 : Segment Reporting

Primary Reporting — Business Segments

(a) Statement of profit or loss and comprehensive income

	Property		Trading and others		Group	
	2016	2015	2016	2015	2016	2015
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Revenue	-		20	-	20	-
Other income	-		-	-	-	-
Total income	-		20	-	20	-
Administrative expenses	(79)	(2)	(403)	(956)	(482)	(958)
Finance costs	-	(3)	-	(19)	-	(22)
Profit/(loss) before income tax	(79)	(5)	(383)	(975)	(462)	(980)
Income tax expense	-	-	-	-	-	-
Profit /(loss)for the financial year	(79)	(5)	(383)	(975)	(462)	(980)

(b) Statement for financial position

	Property		Trading and others		Group	
	9.2016	3.2016	9.2016	3.2016	9.2016	3.2016
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Current Assets	1,063	1,126	425	1,053	1,488	2,179
Non-current Assets	75,613	75,613	332	3,189	75,945	78,802
Total Assets	76,676	76,739	757	4,242	77,433	80,981
Current Liabilities	(1)	(4)	(613)	(616)	(614)	(620)
Non- current Liabilities	-	-	(571)	(796)	(571)	(796)
Total Liabilities	(1)	(4)	(1,184)	(1,412)	(1,185)	(1,416)
Net Segment Assets	76,675	76,735	(427)	2,830	76,248	79,565

AUSTRALIA CHINA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016

Note 16 : Segment Reporting (Continued)

Secondary Reporting-Geographical Segments	Segment Revenue		Segment Assets	
	30.9.2016	30.9.2015	30.9.2016	31.3.2016
Geographical location :	A\$'000	A\$'000	A\$'000	A\$'000
The People's Republic of China	-	-	77,433	80,981
Australia	-	-	-	-
Total	-	-	77,433	80,981

Business and Geographical Segments

Business Segments:

Property Investment– Property holding.

Trading and Others– Investments in businesses and trading.

Geographical Segments:

The People's Republic of China– Property Investment.

Australia– Trading and Others

Note 17 : Share Capital

	Economic Entity	
	30.9.2016	31.3.2016
	A\$'000	A\$'000
Authorised:		
120,000,000,000 at A\$0.001 each	120,000	120,000
Issued and fully paid ordinary shares:		
1,673,820,380 at A\$0.001 each	1,674	1,674

AUSTRALIA CHINA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016

Note 18 : Related Parties

(a) Identification of Related Parties

Australia China Holdings Limited
Australia China Capital Group Limited
ECO-Agriculture Group Limited
JMC China Strategy Inc.
Lido Entertainment Limited

Relationship with the Parent Entity

Ultimate Holding company
Direct Subsidiary
Indirect subsidiary
Member in the Group
Subsidiary of Metropolis Enterprise Group Limited ,
the shareholder of parent entity

The Parent Entity has controlling related party relationship with its direct and indirect subsidiaries.

(b) Related Parties Transactions

	Economic Entity
	30.9.2016
Related party	A\$'000
Income from services provided	20
Advance for expenses incurred	3
Other than above transactions, there were no related party transactions.	

(c) Receivable from / payable to related Parties

	A\$'000
Prepayment of services rendered	800

Note 19 : Contingencies

There is no any contingent liabilities existing at the reporting date.

Note 20 : Events after the reporting date

Australia China Capital Group Limited, the wholly owned subsidiary of Australia China Holdings Limited, signed an agreement with Hong Kong Jun Yun Trading Company Limited in October 2016 to provide trading services to the company. The services will start from 1st October 2016.

Note 21 : Capital Management

The Group actively and regularly reviews and manages its capital structure with the objectives of ensuring that the Group will be able to continue as a going concern while maximizing the return to stakeholders. These reviews take into consideration future capital requirements of the Group, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and strategic investment opportunities.

There were no changes in the Group's approach to capital management during the year.

Note 22 Fair Value measurement of financial instruments

-AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows: (or use IAS 13)

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016**Note 22 Fair Value measurement of financial instruments (continued)**

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 September 2016				
Assets				
Listed investments	-	-	-	-
Available-for-sale unlisted investments	-	-	317	317
Total	-	-	317	317
Liabilities	-	-	-	-
Net Fair Value	-	-	-	-
30 September 2015				
Assets				
Listed investments	1	-	-	1
Available-for-sale unlisted investments	-	-	3,172	3,172
Total	1	-	3,172	3,173
Liabilities	-	-	-	-
Net Fair Value	-	-	-	-

The have been changes in financial instruments during the six (6) months to 30th September 2016. The shares in other listed company was transferred. And there is a provision for fair value adjustment on unlisted investments.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Australia China Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Australia China Holdings Limited, which comprises the consolidated statement of financial position as at 30 September 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with International Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (which conforms with International Standards on Review Engagements ISRE 2410), in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not giving a true and fair view of the company's financial position as at 30 September 2016 and its performance for the half-year ended on that date; and complying with International Accounting Standard IAS 34 Interim Financial Reporting. As the auditor of Australia China Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards (which conforms with the International Standards on Auditing) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Registered Tax Agent
Approved SMSF Auditor
Registered Company Auditor

Kee Partners is a CPA Practice

Wallace Kee, M.Tax, M.Com, CPA, CTA



Tax agent
25298851

Liability limited by a
scheme approved under
Professional Standards
Legislation

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australia China Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Qualified Conclusion

As disclosed in Note 10 to the financial statements, the company's controlled entity paid deposits for acquiring 95% interest in a farmland in the Inner Mongolia Autonomous Region of China. The carrying amount of the deposit that shown on the consolidated Statement of Financial Position as at 30 September 2016 was \$75,613,288. According to the agreement of the purchase, the title of the land can only be transferred to the company's controlled entity when an Incorporated Joint Venture Company in China has been registered. As at the date of this report, the Incorporated Joint Venture Company has not been registered and as a result, the title of the land is still not transferred to the company's controlled entity. Given the significant delays experienced in the registration of the new Joint Venture Company and the title transfer process, there are uncertainties in relation to the fair value of the deposit paid because there are uncertainties of whether this item should be classified as land and property or as a refundable deposit. It is incapable of reliably measuring the effects or possible effects of any adjustments to this amount if any of these adjustments are necessary.

Qualified Auditor's Conclusion

Based on our review, which is not an audit, with the exception of the matters described in the Basis for Qualified Conclusion paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Australia China Holdings Limited is not giving a true and fair view of the company's financial position as at 30 September 2016 and of its performance for the half-year ended on that date; and complying with International Accounting Standard IAS 34 Interim Financial Reporting .



Wallace Kee
Registered Company Auditor

30 November 2016
Sydney, Australia