



Australia China Holdings Limited

ARBN 067 993 506

Level 2, 32 Martin Place, Sydney, NSW 2000, Australia

Email: sec@aakch.com

Company Announcement Office
Australian Stock Exchange Limited

By e-Lodgment

30th December, 2014

Dear Shareholders,

Re: 2014 AGM ADDRESSES BY CHAIRMAN

The addresses to be given by the Chairman at the 2014 Annual General Meeting today are attached.

Should you require further information, please send your enquiry to the Company Secretary by email to sec@aakch.com

Yours faithfully

For and on behalf of
Australia China Holdings Ltd

Stonely Sek
Company Secretary



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AUSTRALIA CHINA HOLDINGS LIMITED

2014 ANNUAL GENERAL MEETING

ADDRESS BY THE DEPUTY CHAIRMAN

30TH DECEMBER, 2014

ADDRESS BY DEPUTY CHAIRMAN OF BOARD OF DIRECTORS

As the Deputy Chairman of Australia China Holdings Limited (“AAK”), I am pleased to chair the 19th Annual General Meeting of AAK and to report to the shareholders the development of AAK and the operating results for the financial year ended 31st March 2014.

Significant Events

On behalf of the Board of Directors, firstly may I express our great condolences for the death of our previous Chairman, Mr. Nelson Chiu. Mr. Chiu passed away due to heart attack on the 30th of October 2014. He had devoted great amount of time and effort in AAK’s business development. We are sorry for his death and express our deep sympathy to his family.

Thanks to the support from all the shareholders and Company’s staffs, the Board will continue to develop AAK’s businesses, at the a same time to look for new growth opportunities. We are now in the process of sorting out all the important documents and reviewing all the previous business arrangements, since the Company was intensively managed by Mr. Chiu in the past. We would expect such reviewing to be completed in a few months before we move on with our new business and future expansion. In particular, the Company had paid deposits on 95% interest in a rural land in the Inner Mongolia and yet to obtain the land title. We would not under estimate the challenge of the tight cash position of the Company, over the past few years the Group’s operation had been heavily relaying on the shareholders’ loan and paying 8% interest. And the Company is also facing the law sue from the Bank of East Asia for a guaranty sum of US\$1,119,000 plus interest and costs. The Board is



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fully aware of the challenges ahead of us and shall endeavor to do our best for the better development and prosperity of the Company.

Business Activities

During financial year 2013-2014, The Group's activities continue to be in investment, agriculture, environmental, manufacturing, advisory and trading. At the financial year ended 31st March, 2014, the Group's main activity was the holding of a parcel of rural land situated in Inner Mongolia, for organic farming and the growth of other eco-products.

Given AAK's long experience in trading, since balance sheet date AAK has been able to link up with a major trading company in China by taking an initial 20% equity interest in Supreme Star Limited ("Supreme"), a marketing and agency company, and this holding can be increased to 100% at the option of AAK. Supreme has a substantial sales network in China and has also obtained the exclusive right to market and distribute a number of high value and popular health products. AAK will be assisting Supreme to grow in both China and, using AAK's network, into other Asian countries. AAK is looking for positive revenue contribution from this associate in the coming financial year and for further expansion of AAK's other trading operations.

AAK has reported a consolidated net profit after taxation of \$416,813 for the year ended 31st March, 2014, as compared to a consolidated net profit after taxation of \$320,155 for the year ended 31st March 2013. This result was arrived after taking into account of the provision for a claim of \$1,223,000 made for a guarantee provided by the Company; the provision of \$600,000 for additional loss on advance made by the Group; and the release of a provision made in 2011 of \$2,515,000 for possible exchange loss on deposits made which is now not necessary as a result of the recovery of the exchange rate of AUD against RMB. The Group's revenue for the current financial year was \$485,584 as compared to \$1,202,773 for the previous financial year, this is represented primarily by a decrease in rental income from its land holding.

Business Outlook:

In order to improve the Company's cash position, we shall strive to look for new businesses that will generate positive revenue for the operation needs of the Group, including but not limited to the followings:



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a) Trading and Health Food Businesses

There is now a much higher demand for quality imported products into China, and as such many more goods are being imported from overseas. The management has identified this as a growth area and intends to expand AAK's activities into securing food and health products supplies from eco-friendly regions around the world to meet the demand and thus increasing the revenue for the Group.

b) New Businesses Development

Our Group is reviewing new business opportunities with partners in and outside China to capitalize on the economic growth in China. We are hopeful that new arrangements can be made and new funding can be obtained to support such expansion. Shareholders will be duly informed of Company's new business developments.

Future Prospects

With the view to enhance the Company's cash position and business, we have spent considerable time and effort in negotiating with several potential investors and partners for fund raising and expansion of our business. The first step to make this possible has been the acquisition of the equity interest in a major trading company as outlined above. We are seriously negotiating with new investors who will bring both funding and business opportunities to AAK. Your Board is confident that AAK will be able to expand its trading and agriculture businesses and can enjoy the current economic growth in China. We look forward to report encouraging result in the next Annual Report.

Mason Lam

Acting Deputy Chairman of Board of Directors