



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-Lodgement

10th October, 2015

Dear Shareholders,

Re: 2015 EGM ADDRESSES BY CHAIRMAN

The addresses to be given by the Deputy Chairman at the 2015 Extraordinary General Meeting on 12th October 2015 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 EXTRAORDINARY GENERAL MEETING OF 2015

ADDRESS BY THE DEPUTY CHAIRMAN

10TH OCTOBER, 2015

ADDRESS BY DEPUTY CHAIRMAN OF BOARD OF DIRECTORS

As the Deputy Chairman of Australia China Holdings Limited (“AAK”), I am pleased to chair the Extraordinary General Meeting of AAK and to report to the shareholders the development of AAK and the detailed agenda of this Extraordinary General Meeting.

The Proposed Capital Reorganization

The Extraordinary General Meeting is being held to consider a four-stage capital reorganization plan which may provide more financial flexibility for the Company to issue shares in the future fund raising opportunities.

The proposed capital reorganization is aimed to provide the Company the ability to price future pro-rata entitlement offer to Shareholders at a price that is a discount to the price that the Shares are traded on the ASX, should that be the best funding alternative available for the Shareholders. Following the Proposed Capital Reorganization, the Company shall proceed with a renounceable pro-rata Rights Issue. The current market price of the Shares is such that it will not be possible for the Company to undertake an appropriately priced offer until first conducting the Proposed Capital Reorganization.

The first three steps of the Proposed Capital Reorganization will reduce the par value per Share from A\$0.02 to par value of A\$0.0001 per Share.

The contributed surplus amount of A\$83,272,545 arising from the Issued Share Capital Reduction from A\$83,691,000 of a par value of A\$0.02 per Share to A\$418,455 of a par value of A\$0.0001 per Share, will be credited to the Company’s reserve and/or surplus account and the Directors will be authorized to apply any credit balance in the contributed surplus account of the Company in accordance with the bye-laws of the Company and the applicable laws, which includes the ability to apply the credit balance to reduce accumulated losses.



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The fourth step of Capital Consolidation of the Company's issued share capital on a 10 to 1 basis, will reduce the number of issued shares by a factor of 10 and increasing the market price per share. ASX Listing Rule 7.11.2 requires that the issue price of each security must not contain a fraction of a cent unless the minimum bid that may be made under the ASX Operating Rules in relation to securities of the same class may contain a fraction of cent.

Accordingly, the Company is seeking Shareholder approval for the Proposed Capital Reorganization in accordance with the Company's Bye-laws and Chapter 7 of the Listing Rules.

Business Activities and Future Prospects

Through its subsidiary, AAK has acquired a small interest in a food and health products distribution and trading business. This company is the authorized distributor for many pharmaceutical companies in China. It has its own marketing and distribution networks and has successfully developed an e-commerce system for trading health products in China.

AAK will continue to look for good business opportunities and investment projects, particularly in line with the "One Belt, One Road" development in the region. It will also continue to make use of our experience and knowledge, our business contacts and networks, to contribute to the economic growth and development of the region and in return improve our revenue and profits for all of our shareholders.

After the capital reorganization and the proposed pro-rata share issue, the Company's problem in cash deficiency will be solved and the law suit brought by the Bank of East Asia will hopefully end with a settlement. The fund raised by the share issue will also be used to obtain title to certain land in Inner Mongolia. Your Board takes this opportunity to thank you for your continuing support to the Company.

Mason Lam

Deputy Chairman of Board of Directors