



Australia China Holdings Limited

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Company Announcement Office
Australian Stock Exchange Limited

By e-Lodgement

29 October, 2015

Dear Option holder,

NOTICE TO OPTION HOLDERS OF RENOUNCEABLE RIGHTS ISSUE

On 27 October 2015, Australia China Holdings Limited (**the Company**) announced that it is undertaking a fully underwritten renounceable pro rata rights issue (**Rights Issue**). The rights issue offers, to eligible shareholders three (3) fully paid new share for every one (1) existing share held at 5:00pm (AEST) 5 November 2015 (**Record Date**), at an issue price of \$0.003. Based on the current shares in the Company on issue, a total of 1,255,365,285 new shares will be issued to raise a maximum of \$3,766,000.

If you wish to participate in the Rights Issue in respect of your Options, you need to exercise your options so that you are registered as a holder of shares no later than the Record Date. Notice of exercise of options and payment of the exercise price of the Options should be received by the Company Secretary at the registered office of the Company prior to the Record Date. Any notice of the exercise of option received after this date cannot be assured of allotment before the Record Date.

If you require an Option exercise form, please contact the Company's share registry or contact the Company by email to sec@aakch.com.

If you do not wish to participate in the Rights Issue in respect of your options, you do not need to take any action.

Please note that the Rights Issue document does not constitute a public offer of the Rights or New Shares to all countries other than Australia and New Zealand.

Further details of the Rights Issue are contained in the announcement lodged with ASX today.

Before deciding whether to exercise all or any of your options, you should consult with your professional advisor.

Yours faithfully
For and on behalf of
Australia China Holdings Ltd

Stonely Sek
Company Secretary