



Australia China Holdings Limited

ARBN 067 993 506

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Company Announcement Office
Australian Stock Exchange Limited

By e-Lodgement

12 November 2015

Dear Shareholders,

SUPPLEMENTARY PROSPECTUS

Please find enclosed a Supplementary Prospectus dated 12 November 2015 which supplements the Company's revised Rights Issue Prospectus dated 5 November 2015.

Yours faithfully
For and on behalf of

Australia China Holdings Ltd

Stonely Sek

Company Secretary

Australia China Holdings Limited

ARBN 067 993 506

(Incorporated in Bermuda)
(Company Registration Number: 20388)

SUPPLEMENTARY PROSPECTUS

This is a Supplementary Prospectus (Supplementary Prospectus) is dated 12 November 2015 and was lodged with the Australia Securities and Investments Commission (“ASIC”) on that date. The Supplementary Prospectus is intended to be read with the Company’s revised prospectus dated 5 November 2015.

Neither ASIC nor ASX take any responsibility for the contents of this Supplementary Prospectus or the Prospectus or the merits of the investment to which this Supplementary Prospectus and the Prospectus relate.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus.

Underwriter’s stake

Blesswin Investments Limited (“the Underwriter”) is not a related party or shareholder in the company as at the record date. The Underwriter is not a professional underwriter who carries on a financial services business in Australia.

Shareholders should be aware that in event that they do not take up any or all of their entitlement and the Underwriter takes up part or all of the Underwritten Amount, this could cause a potential dilution in their shareholding.

If no one participates in the rights offer, and the Underwriter take up the Shortfall in full, the Underwriter will hold approximately 75% of the issued Shares of the Company after the completion of the Rights Issue.

However, as specified in **Section 4.4** of the Prospectus, the Underwriter will take up the Shortfall on a best effort basis, therefore, the underwriter has scope not to subscribe for all of the shortfall. The Underwriter’s intention is to place or distribute these shares to various new investors. In accordance with **Section 4.4** of the Prospectus, the Underwriter will not place more than 20% of the shares in the Company to any single investor.

The Directors also reserve the right to issue any New Shares not allocated under the Offer and Additional New Shares to third parties within three months following the Closing Date at a price not less than the Offer Price.

In **Section 5.5** of Prospectus, it is indicated that the Shortfall will only be placed to the extent that that no Shareholder will, as a consequence of taking up their Entitlement or being placed with any Shortfall, hold a relevant interest in more than 30% of all of the Shares in the Company after completion of the Offer.

With the above mentioned restrictions in the percentage of shares a party may subscribe or take up from Shortfall, it is unlikely that the Underwriter’s shareholding in the Company will increase to 75%.

Section 5.2 Effect of the offer and Pro Forma Statement of Financial Position

The principal effect of the Offer will be to

- (a) increase the cash reserves by approximately A\$3,766,000 immediately after completion of the Issue before deducting the estimated expenses of the Issue; and
- (b) increase the number of shares in issue from 418,455,095 Shares to 1,673,820,380 on the basis that the Offer is fully subscribed and none of the Options currently in issue are exercised prior to the close of the offer –
Set out below are
 - (a) a half year unaudited result of the Company as at 30 September 2015; and
 - (b) an unaudited pro forma Balance Sheet of the Company as at 30 September 2015, incorporating the effect of the issue after allowance of respective subscription costs.

To illustrate the effect of the issue on the Company, the pro forma consolidated balance sheet has been prepared based on the unaudited half year result as at 30 September 2015. The pro forma balance sheet shows the effect of the Offer as an underwritten offer and as if the Offer (under this Prospectus) had been made on 30 September 2015. The pro forma balance sheet assumes that the Offer is fully subscribed.

If an Eligible Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted by the Offer.

Section 5.3 Balance Sheet

The unaudited half year result as at 30 September 2015 and unaudited Pro Forma Balance Sheet as at 30 September 2015 shown in the table below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

Proforma Consolidated Statement of Financial Position	Sep 2015 result (being reviewed) A\$'000	Proforma Sep 2015 A\$'000
Current Assets		
Cash & Bank balances	39	606
Prepayment, deposits & other	185	185
TOTAL current assets	224	791
Non-current assets		
Other investments	89,720	91,014
TOTAL non-current assets	89,720	91,014
TOTAL ASSETS	89,944	91,805
Current Liabilities		
Accrual & other payables	353	353
TOTAL current liabilities	353	353
Non-current liabilities		
Accrual & other payables	4,210	2,531
TOTAL non-current liabilities	4,210	2,531
TOTAL LIABILITIES	4,563	2,884
NET ASSETS	85,381	88,921
Equity		
Capital/contributed equity	83,691	1,673
Reserves	1,690	1,464
Share Premium	-	2,511
Contributed Surplus	-	83,273
TOTAL Equity	85,381	88,921

Assumptions for Unaudited Pro Forma Balance Sheet

The unaudited Pro Forma Balance Sheet disclosed above, has been prepared on the basis that there have been no material movements in the assets and liabilities of the entity between 30 September 2015 and the date of the Prospectus other than:

1. the issue of 1,255,365,285 New Shares pursuant to the Prospectus to raise gross proceeds of A\$3,766,000 respectively; and
2. the payment of additional share issue costs totaling an estimated A\$276,000 and expensed against issued capital.

DIRECTORS' CONSENT

Each of the Directors of the Company has consented to the lodgement of this Supplementary Prospectus with Australian Securities and Investments Commission.

Signed on behalf of the Directors pursuant to a resolution of the Board



Michael MP Chai
Executive Director