



# Australia China Holdings Limited

ARBN 067 993 506

28 Bangalla Road, Rose Bay, NSW 2029, Australia

Email: [sec@aacch.com](mailto:sec@aacch.com)

Company Announcement Office  
Australian Stock Exchange Limited

By e-Lodgment

30 November 2015

Dear Shareholders,

## **30 September 2015 Interim financial Results**

The Directors of Australia China Holdings Limited ('AAK') are pleased to report to Shareholders the following Group's interim financial results for the half year ended 30 September 2015 :

<b>Financial results for the half year ended</b>	<b>30/09/2015</b>	<b>30/09/2014</b>
	A\$'000	A\$'000
Revenue	-	244
Profit/(Loss) before taxation and extraordinary items	(980)	20
Extraordinary Items	-	-
Profit/(Loss) after taxation and extraordinary items	(980)	20
Basic earnings per share (Aust ¢)	(0.0259)	0.0006

## **Review of Operations**

The Group has incurred a loss of A\$980,000 for the six months ended 30 September 2015. The loss was attributable to additional provision of A\$550,000 resulted from a bank guarantee provided to our previous subsidiary and there were no more rental received from the land in comparison with operating income of A\$243,000 received in 2014 .

## **Business Prospects**

After the Share Reorganisation and Rights Issue, the Group will become more active with its business development and will continue to concentrate its business in Asia, particularly as China is launching the magnificent "One Belt and One Road" project which is to generate huge business opportunities along the path. We expect to see some improvement



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in our line of businesses and are ready to ride on this golden business opportunity in the region.

The Company is also searching and negotiating with potential investors for possible expansion in health care and hospitality businesses and possible injection of profitable projects into the Group in the near future.

### **Dividend**

The Directors are not proposing any dividend payment for the half year ended 30 September 2015.

Should you have any queries, please send your enquiry to the Company Secretary by emailing to [sec@aakch.com](mailto:sec@aakch.com).

Yours faithfully,

For and on behalf of

**Australia China Holdings Ltd**



Stonely Sek  
Company Secretary

**Appendix 4D**

**Financial Report For The Half Year Ended 30th September 2015**

1) The reporting period is 30th September 2015 and the previous corresponding period is 30th September 2014.

**2) Results for announcement to the market:**

		<b>Half year ended 30th Sep.</b>	
	<b>Increase/ Decrease</b>	<b>2015</b>	<b>2014</b>
2.1) Revenue from ordinary activities (AUD '000)	-100.0%	-	244
2.2) Profit/(Loss) from ordinary activities after tax attributable to members (AUD '000)	-4993%	(980)	20
2.3) Net profit/(Loss) for the period attributable to members (AUD '000)	-4993%	(980)	20

	<b>Half year ended 30th Sep.</b>	
	<b>2015</b>	<b>2014</b>
Basic earnings per share (AUD cents)	(0.0259)	0.0006
Diluted earnings per share (AUD cents)	(0.0185)	0.0004

2.4) Interim dividend	<b>Half year ended 30th Sep.</b>	
	<b>2015</b>	<b>2014</b>
Amount per security	Nil	Nil
Franked amount per security	Nil	Nil
2.5) The record date for determining entitlements to the dividend	Nil	Nil

2.6) The Group's loss after tax for the half-year ended was mainly no income generated but the additional provision for loss on guarantee.

	<b>Half year ended 30th Sep.</b>	
	<b>2015</b>	<b>2014</b>
3) Net tangible assets backing per share (AUD cents)	2.04	2.07

4) An unquoted investment in controlled Entities for the half year ended 30 September 2015.

Supreme Star Limited	7.28%	0
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5) No dividend payment or payable.

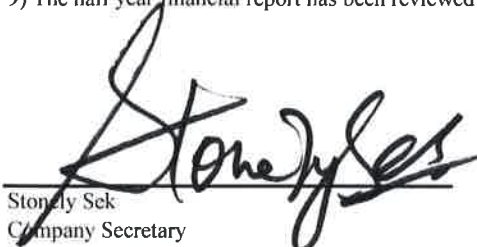
6) No dividend or distribution reinvestment plans in operation.

7) Name and equity of Controlled Entity in Associated Entity:

	<b>Half year ended 30th Sep.</b>	
	<b>2015</b>	<b>2014</b>
	<b>Percentage Owned</b>	
<u>Associated Entity of Australia China Business Limited:</u>		
Sino (HK) International Corporate Investment Limited	48%	48%
<u>Associated Entity of Australia China Capital Group Limited:</u>		
JMC China Strategy Inc.	19%	19%
Pacific Resources Enterprises Limited	19%	19%
<u>Controlled Entity of JMC China Strategy Inc.</u>		
Shenzhen Berg Transformer Co. Ltd.	51%	51%
<u>Controlled Entity of Pacific Resources Enterprises Limited</u>		
Shandong JMC Electric Group Co. Ltd.	30%	30%
<u>Unquoted investment of Australia China Business Limited:</u>		
Supreme Star Limited	7.28%	-

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 : 30.11.2015

# AUSTRALIA CHINA HOLDING LIMITED

## 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 2015 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
Michael MF CHAI	Executive Director
Manuel SIN	Independent Non-Executive Director
Sam HS CHEANG	Executive Director ( Resigned on 13th July 2015)

### Statement of Comprehensive Income

The result of the Economic Entity for the half- year ended 30th September 2015 is summarized as follows:

	30/9/2015	30/9/2014
	\$'000	\$'000
Revenue	-	244
Profit (loss) after taxation and minority interest	(980)	20
Basic earnings(loss) per share (cents per share)	(0.0259)	0.0006

### Review of Operation

The Group has incurred a loss of A\$980,000 for the six months ended 30 September 2015. The loss was attributable to additional provision of A\$550,000 resulted from a bank guarantee provided to our previous subsidiary and there were no more rental received from the land in comparison with operating income of A\$243,000 received in 2014 .

### Significant Changes in State of Affairs

The Parent Entity's fully owned controlled Entities, Australia China Business Limited, has acquired 3,639 shares (7.28%) of Supreme Star Limited during the current period.

### 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 note10 to the financial statements.

## AUSTRALIA CHINA HOLDING LIMITED

### **DIRECTORS' REPORT (continued)**

#### **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 18 of the Financial Statements for the details of significant events subsequent to the statement of financial position date.

#### **Rounding of Amounts**

The company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' report have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors on 26.11.2015



Michael MF CHAI

Director

Date: 27. 11.2015

# AUSTRALIA CHINA HOLDINGS LIMITED

## DIRECTORS' DECLARATION

**The Directors declare that the financial statements and notes set out on pages 4 to 14:**

- (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 2015 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 on 26.11.2015**



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Michael MF CHAI

Director

Date: 27 .11.2015

AUSTRALIA CHINA HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2015**

		<b>Economic Entity</b>	
		<b>30.9.2015</b>	<b>30.9.2014</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>CONTINUING OPERATIONS</b>			
Revenue	3	-	243
Cost of sales		-	-
Gross profit		-	243
Other revenue	3	-	1
Administrative expenses		(408)	(200)
Provision for Loss		(550)	-
Finance costs	5	(22)	(24)
Profit/(Loss ) before income tax	4	(980)	20
Income tax expense	6	-	-
<b>Profit/(Loss) for the half year</b>		<b>(980)</b>	<b>20</b>
<b>Other comprehensive (expense)/income:</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (expense)/income for the half year</b>		<b>(980)</b>	<b>20</b>
<b>Profit for the half year attributable to:</b>			
Owners of the Parent Entity		(980)	20
Minority interest		-	-
<b>Total</b>		<b>(980)</b>	<b>20</b>
<b>Total comprehensive (expense)/income for the profit attributable to:</b>			
Owners of the Parent Entity		(980)	20
Minority interest		-	-
<b>Total</b>		<b>(980)</b>	<b>20</b>
<b>Basis earnings per share (cents per share)</b>		<b>(0.0259)</b>	<b>0.0006</b>
<b>Diluted earnings per share (cents per share)</b>		<b>(0.0185)</b>	<b>0.0004</b>

The accompanying notes form part of these financial statements.

AUSTRALIA CHINA HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30TH SEPTEMBER 2015

	Note	Economic Entity	
		30.9.2015	31.3.2015
		\$'000	\$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	39	12
Receivables	8	184	109
Financial assets	12	1	1
<b>TOTAL CURRENT ASSETS</b>		<b>224</b>	<b>122</b>
<b>NON-CURRENT ASSETS</b>			
Deposits paid	9	75,613	75,613
Financial assets	12	14,088	3,172
Furniture & Fixture	12	19	
<b>TOTAL NON-CURRENT ASSETS</b>		<b>89,720</b>	<b>78,785</b>
<b>TOTAL ASSETS</b>		<b>89,944</b>	<b>78,907</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables and accruals	13	161	117
Financial liabilities		192	284
<b>TOTAL CURRENT LIABILITIES</b>		<b>353</b>	<b>401</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables and accruals	13	3,457	2,907
Financial liabilities	14	753	438
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>4,210</b>	<b>3,345</b>
<b>TOTAL LIABILITIES</b>		<b>4,563</b>	<b>3,746</b>
<b>NET ASSETS</b>		<b>85,381</b>	<b>75,161</b>
<b>EQUITY</b>			
Share capital	16	83,691	72,505
Reserves		357	343
Retained earnings		1,333	2,313
<b>TOTAL EQUITY</b>		<b>85,381</b>	<b>75,161</b>

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 2015

Economic Entity	Share Capital	Options Reserve	Retained Earnings	Total
	A\$'000	A\$'000	A\$'000	A\$'000
<b>Balance at 31st March 2014</b>	<b>70,105</b>	<b>302</b>	<b>2,308</b>	<b>74,715</b>
Total comprehensive income/(expense) for the year	-	-	5	5
<u>Transactions with owners :</u>				
Issues of shares	400	-	-	400
Share options:				
- fair value of share options granted under ESOS	-	43	-	43
- reserve realized upon the exercise of ESOS	-	(2)		(2)
	400	41	-	441
<b>Balance at 31st March 2015</b>	<b>72,505</b>	<b>343</b>	<b>2,313</b>	<b>75,161</b>
Total comprehensive income/(expense) for the half year	-	-	(980)	(980)
<u>Transactions with owners :</u>				
Issues of shares	11,186			11,186
Share options:				
- fair value of share options granted under ESOS				
- reserve realized upon the exercise of ESOS		14		14
	11,186	14		11,200
<b>Balance at 30th September 2015</b>	<b>83,691</b>	<b>357</b>	<b>1,333</b>	<b>85,381</b>

The accompanying notes form part of these financial statements.

AUSTRALIA CHINA HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2015**

	<b>Economic Entity</b>	
	<b>30.9.2015</b>	<b>30.9.2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(442)	(262)
<b>Net cash used in operating activities</b>	<b>(442)</b>	<b>(262)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Furniture & Fixture	(21)	-
<b>Net cash used in investing activities</b>	<b>(21)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from/(to) other companies	-	92
Advances from/(to) related parties	485	125
<b>Net cash from financing activities</b>	<b>485</b>	<b>217</b>
<b>Net (decrease)/increase in cash held</b>	<b>22</b>	<b>(45)</b>
Effect of exchange rates	5	-
	<b>27</b>	<b>(45)</b>
<b>Cash at the beginning of the period</b>	<b>12</b>	<b>52</b>
<b>Cash at the end of the period</b>	<b>39</b>	<b>7</b>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2015**

**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 2015 and any public announcements made by Australia China Holdings Limited during the half year ended 30th September 2015 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 2015.

**Note 2 : Fundamental Accounting Concept**

The ability of the Economic Entity to continue as a going concern is based on the cash flows generated from the successful utilization of the farmland in Inner Mongolia, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Economic Entity's ability to continue as a going concern.

The financial statements of the Economic Entity have been prepared on the assumption that the Economic Entity will continue as a going concern. The Directors of the Economic Entity are of the view that the substantial utilization of the farmland in Inner Mongolia and the cash flows generated therefrom is expected to improve the long term operation viability of the Economic Entity.

	<b>Economic Entity</b>	
	<b>30.9.2015</b>	<b>30.9.2014</b>
<b>Note 3 : Revenue</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>		
- Rental Income	-	243
<b>Revenue</b>	-	<u>243</u>
<b>Non-operating activities</b>		
<b>Other revenue</b>		
Exchange gain (loss)	-	<u>1</u>

# AUSTRALIA CHINA HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2015

### Note 4 : Profit /(Loss )Before Income Tax

	Economic Entity	
	30.9.2015	30.9.2014
	\$'000	\$'000
Provision for loss	(550)	-
Exchange difference loss	(3)	-
Depreciation	(2)	

### Note 5 : Finance Costs

Finance costs are interest expenses at 8% per annum charged on loans from related parties (2014: 8%).

### 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 2015 (2014: Nil).

### Note 7 : Cash and Cash Equivalents

	Economic Entity	
	30. 9.2015	31.3.2015
	\$'000	\$'000
Cash on hand	1	1
Cash at bank	38	11

### Note 8 : Receivables

	Economic Entity	
	30.9.2015	31.3.2015
	\$'000	\$'000
Receivables from other company	117	82
Other receivables	27	27
Rental and other deposit	40	-
<b>Total receivables</b>	<b>184</b>	<b>109</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2015

**Note 9 : Deposits paid**

	Economic Entity	
	30.9.2015	31.3.2015
	\$'000	\$'000
Deposits paid on farmland in Inner Mongolia, China	75,613	75,613

As at 30<sup>th</sup> September 2015, ECO-Agriculture Group Limited (ECO), a controlled entity 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 farmland situated in Inner Mongolia with the total consideration of A\$75,613,290. It is in the process of registering the title of the farmland to a China Incorporated Company. Title registration will follow soon afterward on payment of the registration fee.

**Note 10 : Controlled Entities**

**(a) Details of Controlled Entities**

	Country Of Incorporation	Percentage Owned		Principal Activities
		30.9.2015	31.3.2015	
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 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%	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 2015

Note 11 : Associated Entity	Country of Incorporation	Percentage Owned		Principal Activities
<b>Associated Entity of Australia China Business Limited:</b>		<b>30.09.2015</b>	<b>31.03.2015</b>	
Sino (HK) International Corporate Investment Limited	Hong Kong	48% <sup>#</sup>	48% <sup>#</sup>	Business consultancy
<b>Associated Entities of Australia China Capital Group Limited:</b>				
JMC China Strategy Inc.	BVI	19% <sup>#</sup>	19%	Investment Holding
Pacific Resources Enterprises Limited	BVI	19% <sup>#</sup>	19%	Investment Holding
<b>Direct controlled in Associated Entity ::</b>				
<b>Entity of JMC China Strategy Inc.</b>				
Shenzhen Berg Transformer Co. Ltd.	CHINA	51% <sup>^</sup>	51%	Manufacturing and sales of electrical transformers
<b>Entity of Pacific Resources Enterprises Limited.</b>				
Shandong JMC Electric Group Co. Ltd.	CHINA	30% <sup>^</sup>	30%	Manufacturing and sales of electrical transformers
<b>Unquoted Investment of Australia China Business Limited in June 2015 :</b>				
Supreme Star Limited	BVI	7.28%	-	Trading

# 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.

<sup>^</sup>- Held through Associated entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2015

	Note	30.9.2015 \$'000	31.3.2015 \$'000
<b>Note 12a : Financial Assets</b>			
At fair value through profit or loss	(a)	1	1
Available-for-sale financial assets	(b)	14,088	3,172
		<u>14,089</u>	<u>3,173</u>

**(a) At Fair Value Through Profit or Loss**

Listed investments, at fair value

- shares in other listed company

1	1
<u>1</u>	<u>1</u>

**(b) Available-For-Sale Financial Assets**

Unlisted investments, at cost

- unquoted investments

14,088	3,172
<u>14,088</u>	<u>3,172</u>

**Note 12b : Furniture & Fixture**

	30.9.2015 \$'000	31.3.2015 \$'000
Acquisition during the half year	21	-
Depreciation	(2)	-
Balance carried forward	<u>19</u>	<u>-</u>

**Note 13 : Payable**

	30.9.2015 \$'000	31.3.2015 \$'000
Payable – Current Portion	161	117
Payable – Non-current Portion	<u>3,457</u>	<u>2,907</u>

**Note 14 : Financial Liabilities**

	30.9.2015 \$'000	31.3.2015 \$'000
Loans from related parties – Current Portion	192	284
Loans from related parties – Non-current Portion	<u>753</u>	<u>438</u>

# AUSTRALIA CHINA HOLDINGS LIMITED

Loans from related parties bear interest at 8% per annum (31.3.2015: 8%) with interest charge made against the Parent Entity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2015

### Note 15 : Segment Reporting

#### Primary Reporting — Business Segments

	Property Investment		Trading and Others	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	\$'000	\$'000	\$'000	\$'000
<b>REVENUE</b>				
External revenue	-	243	-	-
Other revenue	-	-	-	1
<b>Total Revenue</b>	<b>-</b>	<b>243</b>	<b>-</b>	<b>1</b>
<b>OPERATING RESULTS</b>				
Segment results	(2)	202	(956)	(159)
Finance costs	(3)	(7)	(19)	(17)
<b>Profit/(Loss) for the half year</b>	<b>(5)</b>	<b>195</b>	<b>(975)</b>	<b>(175)</b>
	30.09.2015	30.03.2015	30.09.2015	31.03.2015
	\$'000	\$'000	\$'000	\$'000
<b>Segment Assets</b>	<b>75,725</b>	<b>75,725</b>	<b>14,219</b>	<b>3,182</b>
<b>Segment Liabilities</b>	<b>373</b>	<b>409</b>	<b>4,190</b>	<b>3,338</b>

#### Secondary Reporting-Geographical Segments

	Segment Revenue		Segment Assets	
	30.9.2015	30.9.2014	30.9.2015	31.3.2015
	\$'000	\$'000	\$'000	\$'000
The People's Republic of China	-	243	75,725	75,725
Australia	-	-	-	-
<b>Total</b>	<b>-</b>	<b>243</b>	<b>75,725</b>	<b>75,725</b>

Primary Reporting— Business Segments:

Property Investment— Property holding.

Trading and Others— Investments in businesses and trading.

Secondary Reporting— Geographical Segments:

The People's Republic of China— Property Investment.

Australia— Trading and Others.



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2015

**Note 16 : Share Capital**

	<b>Economic Entity</b>	
	<b>30.9.2015</b>	<b>31.3.2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Authorized:</b>		
6,000,000,000 authorized ordinary shares at \$0.02 each	120,000	120,000
<b>Issued And Fully Paid:</b>		
4,184,550,946 fully paid ordinary shares at \$0.02 each	83,691	72,505

**(A) Increase in capital**

	<b>9.2015</b>
	<b>No.</b>
<b>Issued and fully paid ordinary shares:</b>	
At the beginning of the financial year	3,625,239,953
<b>Shares issued during the period:</b>	
27.4.2015	13,500,000
19.6.2015	545,810,993
<b>Balance at 30.9.2015</b>	<b>4,184,550,946</b>

**Notes:**

- (a) At the Annual General Meeting on 31 December 2014, the Board was authorized an issue of 13,500,000 ordinary shares at A\$0.02 per share to Supreme Australasian Investments Ltd to satisfy fully the outstanding loan of A\$270,000 advanced by them.
- (b) At the meeting of the Board on 17 June 2015, the Board was authorized to allot a total of 545,810,993 ordinary shares at A\$0.02 per share to Jetwill Group Limited as the consideration for the acquisition of 7.28% shares in Supreme Star Limited.

**Note 17 : Related Parties**

<b>(a) Identification of Related Parties</b>	<b>Relationship with the Parent Entity</b>
<b>Related party</b>	
Supreme Australasian Investment Limited	Shareholder of Parent Entity
Cheang Hong Sang	Director of Parent Entity
Mason Lam	Director of Parent Entity

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

**(b) Related Parties Transactions**

	<b>Economic Entity</b>	
	<b>30.9.2015</b>	<b>30.9.2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Related party</b>		
Advances for expenses incurred	485	125
Expense paid on behalf	-	21
Loan repayment	284	-
Interest expense charged	22	24

Other than above transactions, there were no related party transactions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2015

**Note 18 : Events after the reporting date**

The Company's share capital has been restructured pursuant to shareholders' approval at a EGM on 12 October 2015 with the following:

Capital Reduction

On 26 Oct 2015, the Company reduced the issued and paid-up share capital of the Company from A\$83,691,000 to A\$418,455 by cancelling the paid-up capital, from its current level of A\$0.02 to A\$0.0001. It will also have the effect of reducing the authorized share capital of the Company from A\$120,000,000 (divided into 6,000,000,000 Existing Shares) to A\$600,000 (divided into 6,000,000,000 Existing Shares).

Capital Increase

At the same on 26 Oct 2015, the Company increased the authorized share capital from A\$600,000 (divided into 6,000,000,000 Existing Shares ) to A\$120,000,000 (divided into 1,200,000,000,000 shares )and allowing the issue of an additional 1,194,000,000,000 shares of A\$0.0001 each.

Contribution Surplus

The Company will credit the amount of A\$83,272,545 arising from the issued share capital reduction to the contributed surplus account, and authorizes Directors to apply any credit balance in the contributed surplus account at their discretion.

Capital Consolidation

At the same that on 26 Oct 2015, the Company consolidated every 10 share/options into 1 share/option, and the par value for the shares or the exercise price of the options be increased accordingly by a factor of 10, and the directors be authorized to round the fraction up to the nearest whole security.

Right Issue

On the 27 Oct 2015, the Company notified the ASX that it would undertake a renounceable entitlement rights issue offer of three (3) shares for every one (1) share held by shareholders at an issue price of A\$0.003 per share. The Company would issue 1,255,365,285 new shares and to raise A\$3,766,000.

On 19 Nov 2015, an allotment and issue of 939,098,924 ordinary shares (74.81%) as part of the Right Issue on that closing date, and raised A\$2,817,296.77. The shortfall of shares was 316,266,361 shares and was taken up by the Underwriter, Blesswin Investments Limited.

## 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 2015, the consolidated statement of 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 2015 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

Wallace Kee, M.Tax, M.Com, CPA, CTA  
Andrew Kwong, MBA, MA, FCPA, JP

Kee Partners is a CPA Practice and member of



Tax agent  
77788006

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**Basis for Qualified Conclusion**

As disclosed in the notes to the financial statements, the company's controlled entity paid deposits on 95% interest in a farmland in the Inner Mongolia Autonomous Region of China and carried the amount at \$75,613,288 on the consolidated Statement of Financial Position as at 30 September 2015. 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 has not been transferred to the company's controlled entity. Given the significant delays experienced in the registration of the new Joint Venture Company, we are unable to obtain sufficient appropriate review evidence to determine whether any adjustments to this amount were 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 2015 and of its performance for the half-year ended on that date; and complying with International Accounting Standard IAS 34 Interim Financial Reporting .

**Emphasis of Matter**

We draw your attention to Note 2 to the financial statements which describe the ability of the Economic Entity to continue as a going concern is dependent on the cash flows generated from the successful utilisation of the farmland in Inner Mongolia of China. Our conclusion is not modified in respect of this matter.

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**Wallace Kee**  
**Certified Practising Accountant**

27 November 2015  
Sydney, Australia