



# Australia China Holdings Limited

ARBN 067 993 506

Level 10, Suite 1006, 50 Clarence Street, Sydney, Australia

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

Company Announcement Office  
Australian Stock Exchange Limited

25 November, 2011

By e-Lodgement

Dear Shareholders

**Re: Inner Mongolia Land Update**

The Directors would like to update shareholders by announcing the followings:-

**1. Memorandum of Understanding Signed with Denzo**

As advised in our previous announcements a Memorandum of Understanding (MOU) was signed between DENZO and a subsidiary company of AAK, regarding the use of our land in Inner Mongolia. It was intended that Denzo would use the land for the growth of crops used for bio-fuel. However, due to a number of logistical reasons, Denzo and AAK were unable to reach a final agreement and the MOU has now lapsed. It is unlikely we shall pursue this further with Denzo.

**2. Leasing of Part of the Land in Inner Mongolia**

The Directors are pleased to announce that we have been able to secure a lease of 16,000 Mou of the land, being half of the total size of land holding, for an initial lease period up to 31 December 2012 with Beijing Shuimu Zhongtian Institute of Horticulture Sciences ("BIS") for USD\$2 million. BIS is an agricultural company involved in commercial growing of roses. Both BIS and the Directors consider this to be an ideal use of part of the Land. BIS currently has many rose plantations in northern part of China. The management is negotiating with BIS for co-operation on the further use of the land. Shareholders will be informed of progress made.

Should you require further information, please email the Company on [sec@aacch.com](mailto:sec@aacch.com)

Yours faithfully,

For and on behalf of

Australia China Holdings Limited



Stonely Sek

Company Secretary