



# Australia China Holdings Limited

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1<sup>st</sup> August 2011

Company Announcement Office  
Australian Stock Exchange Limited

By e-Lodgement

Dear Shareholders,

RE: AUSTRALIA CHINA HOLDINGS LIMITED (“AAK”) LEASES ITS LAND TO BE USED FOR CLEAN ENERGY PROJECTS

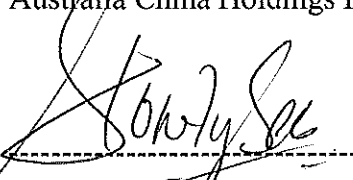
AAK announced on 18<sup>th</sup> and 28<sup>th</sup> July 2011 of its proposed leasing of the land held by AAK to a subsidiary of the Denzo Group for a period of 20 years. With this arrangement AAK will be able to get funding for the completion of the registration for the land it holds in Inner Mongolia and at the same time securing continuous income for the next 20 years.

To take advantages of the development opportunity and high growth of business in China, AAK also intends to take a 45% interest in the subsidiary company of Denzo. With this partnership, AAK will benefit from the growth in the China Economy and from the business developed by Denzo in China derived from the use of the land and other businesses in Inner Mongolia.

AAK believes the above business arrangements do not amount to change of business activities of AAK but AAK is conscious of the need to keep shareholders informed and to obtain guidance from ASX so the relevant listing rules are adhered to. Where necessary, shareholders and ASX approval will be sought prior to entering into binding contracts.

We shall keep shareholders informed of the progress made.

Yours faithfully,  
For and on behalf of  
Australia China Holdings Limited



Stonely Sek  
Company Secretary