

Australia China Holdings Limited

ARBN 067 993 506

Level 11, 32 Martin Place, Sydney, NSW 2000, Australia Email: sec@aakch.com

Company Announcement Office Australian Stock Exchange Limited

By e-Lodgment

19th December, 2013

Dear Shareholders,

Re: NOTICE TO ALL OPTION HOLDERS - Exercise Form

We wish to remind Option Holders that the options they are holding will expire on 30th December, 2013.

To assist those who wish to exercise the Options they are holdings, they can complete the attached Option Exercise Form and return it together with the cheque for the appropriate amount as follows:

Payable to: Australia China Holdings Limited

Post to

Advanced Share Registry Ltd.

PO Box 1156, Nedlands, Western Australia 6909.

Do take note that all the Options on issue will expire at 5:00pm on 30th December, 2013 and for Options not exercised, they will expire automatically without any further notice.

Should you require further information, please send your enquiry to the Company Secretary by email to sec@aakch.com

Yours faithfully

For and on behalf of

Australia China Holdings Ltd

Stonely Sek

Company Secretary

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AUSTRALIA CHINA HOLDINGS LIMITED

ARBN 067 993 506 INCORPORATED IN BERMUDA APPLICATION FOR SHARES UPON EXERCISE OF OPTIONS

First Names/ Company No	ame Sumame/ Australian Company Number
Address	
	Postcode
Please complete full name and address)	
Contact Telephone Number	
The registered holder(s) of the Options hereb	oy exercise my/our Option for:
Ordinary Fully Paid Shares and enclose appl	ication money of \$0.02 per share \$[amount payable on exercise]
We whose full name(s) and address(es) a Constitution of the Company.	appear above hereby apply for the number of Shares shown above. I/We agree to be bound by the
Securityholder Reference Number (S.R.N.)	Complete this only if you are Issuer Sponsored.
Holder Identification Number (H.I.N.)	Complete this only if you are CHESS Sponsored.
v)	
	Companies Only - Executed in accordance with the Company's Constitution and the Corporation Law.
Signature Of Option holder(s) (All joint holders must sign)	
(All joint holders must sign) X	Law. Sole Director and Sole Secretary Data
(All joint holders must sign)	Law.
(All joint holders must sign) X	Law. Sole Director and Sole Secretary Data

TERMS AND CONDITIONS OF OPTIONS

Each Option will entitle the holder to subscribe for one share in the Company on the following terms:

- (a) The Options may be exercised at any time prior to 5.00pm (EST) 30 December 2013;
- (b) The Options are exercisable at 2 cents;
- (c) The options shall only be exercisable wholly or in part by executing and forwarding to the Company an exercise form;
- (d) There are no participating rights, or entitlement inherent in the Options to participate in any news issue or bonus issue of securities which may be offered to members of the Company from time to time prior to or on 30 December 2013;
- (e) Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issue to the then Shareholders of the Company made during the currency of the Options. In this regard, holders of the Options shall be given at least 10 Business Days notice, before the determination of entitlements to any issue, to exercise their options;
- (f) In the event of any reconstruction (including consolidation, sub-division, reduction or return of the Issued capital) of the Company, the options will be re-discribed in appropriate with the Listing Rules applicable at the time of the re-organisation;
- (g) Application for official quotation of the Shares allotted and issued pursuant to the exercise of the Options will be made by the Company within three (3) business days after the date of allotment of such shares; Application for official quotation of the Options allotted and issued pursuant to the Prospectus will be made by the Company within three (3) business days after the allotment of such Options;
- (h) Shares allotted and issued pursuant to the exercise of the Options will be allotted and issued no more than seven (7) days after the receipt of a properly executed notice and receipt of the application moneys; and
- (i) A statement will be issued for the Options. Attached to the Statement there will be a form that must be executed and forwarded to the Company when exercising the Options, if there is more than one Option on a statement and prior to 30 December 2013 those Options are exercised in part, the Company will issue another statement for the balance of the Options held and not yet exercised.

Cheques should be made payable to AUSTRALIA CHINA HOLDINGS LIMITED and crossed "Not Negotiable" and drawn on an Australian Bank and posted to Advanced Share Registry Ltd, PO Box 1156, Nedlands, Western Australia 6909.

NOTE: OPTIONS NOT EXERCISED BY 30 DECEMBER 2013 WILL AUTOMATICALLY EXPIRE.