

LEGAL NOTICE

in the matter of

THE COMPANIES ACT 1981 (AS AMENDED)

(the "Act")

NOTICE IS HEREBY GIVEN pursuant to section 46(2)(a) of the
Companies Act 1981 that:

Australia China Holdings Limited

(the "Company")

(an exempted company incorporated in Bermuda)

intends to undertake the following with effect from 9:00 a.m. on
15 October 2015 (Australia Eastern Standard Time):-

(a) to reduce the issued and paid-up capital of the Company from A\$83,691,000 to A\$418,455 by cancelling the paid-up capital of the Company to the extent of A\$0.0199 on each of the issued Existing Shares, such that the par value of each issued Existing Share be reduced from A\$0.02 to A\$0.0001; and to reduce the authorized share capital of the Company from A\$120,000,000 divided into 6,000,000,000 Existing Shares of par value A\$0.02 to A\$600,000 divided into 6,000,000,000 Existing Shares of par value A\$0.0001 each ("**Capital Reduction**");

(b) to increase the authorized share capital of the Company from A\$600,000 divided into 6,000,000,000 Shares of par value of A\$0.0001 each, to A\$120,000,000 divided into 1,200,000,000,000 Shares of par value A\$0.0001 each, allowing for the issue of an additional 1,194,000,000,000 Shares of A\$0.0001 each ("**Capital Increase**");

(c) to credit the amount of A\$83,272,545 arising from the Issued Share Capital Reduction to the contributed surplus account of the Company; and to authorize the Directors to apply any credit balance in the contributed surplus account of the Company to be used at their discretion, including setting off such credit balance against the accumulated losses of the Company; and

(d) to consolidate every 10 Shares in the Company into 1 Share such that the par value of the Shares be increased from A\$0.0001 to A\$0.001 per Share and that the total issued Shares of 4,184,550,946 Shares be consolidated to 418,455,095 Shares; to consolidate every 10 Options in the Company into 1 Option, with the exercise price per Option being increased by a factor of 10; and to authorize the Directors to round the fraction up to the nearest whole security ("**Capital Consolidation**").

All of the above are subject to approval by the shareholders of the Company at an extraordinary general meeting to be held on 12 October 2015 in Macau.

By order of the Board