

**Form 604**  
Corporations Act 2001  
Section 671B

**Notice of change of interests of substantial holder**

To Company Name/Scheme Virgin Australia Holdings Limited (VAH)

ACN/ARSN 100 686 226

**1. Details of substantial holder (1)**

Name Nanshan Capital Holdings Limited, Nanshan Group Co., Ltd, Nanshan Group Capital Investment Company and the companies listed in Annexure A.

ACN/ARSN (if applicable) \_\_\_\_\_

There was a change in the interests of the substantial holder on

12/10/2016

The previous notice was given to the company on

08/08/2016

The previous notice was dated

08/08/2016

**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary shares	1,621,227,756	19.98% based on 8,115,147,874 shares on issue	1,689,932,240	19.98% based on 8,458,119,315 shares on issue

**3. Changes in relevant interests**

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
12/10/2016	Nanshan Capital Holdings Limited	Off market purchase of ordinary shares in VAH.	\$17,863,165.84	68,704,484 ordinary shares	68,704,484
12/10/2016	Nanshan Group Co., Ltd	Increase in relevant interest of ultimate parent company under section 608(3) of the Corporations Act 2001(Cth) (Act).	Nil	68,704,484 ordinary shares	68,704,484
12/10/2016	Nanshan Group Capital Investment Company	Increase in relevant interest of parent company under section 608(3) of the Corporations Act 2001(Cth) (Act).	Nil	68,704,484 ordinary shares	68,704,484

## 4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (8)	Class and number of securities	Person's votes
Nanshan Capital Holdings Limited	Nanshan Capital Holdings Limited	Nanshan Capital Holdings Limited	Under section 608(1) of the Act, Nanshan Capital Holdings Limited has a relevant interest as the holder of the shares.	68,704,484 ordinary shares	68,704,484
Nanshan Group Co., Ltd	Nanshan Capital Holdings Limited	Nanshan Capital Holdings Limited	Under section 608(3) of the Act, Nanshan Group Co., Ltd has a relevant interest held through a body corporate (Nanshan Group Capital Investment Company) in which its voting power is more than 20% and in which it controls.	68,704,484 ordinary shares	68,704,484
Nanshan Group Capital Investment Company	Nanshan Capital Holdings Limited	Nanshan Capital Holdings Limited	Under section 608(3) of the Act, Nanshan Group Capital Investment Company has a relevant interest through its control of Nanshan Capital Holdings Limited.	68,704,484 ordinary shares	68,704,484

**5. Changes in association**

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Refer to Annexure A	Companies under the common control of Nanshan Group Co., Ltd.

**6. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
Nanshan Group Co., Ltd	Nanshan Industry Region, Longkou City, Shandong 265706, China
Nanshan Group Capital Investment Company	Room 4506, China World Tower III, No. 1 Jian Guo Men Wai Ave, Beijing, China
Nanshan Capital Holdings Limited	Flat/Room B, 3/F Teda Building 87 Wing Lok Street, Sheung Wan, Hong Kong
Each entity listed in Annexure A	c/o Nanshan Industry Region, Longkou City, Shandong 265706, China

**Signature**

print name	Sophie Chen	capacity	Partner, Minter Ellison
sign here		date	13/10/16

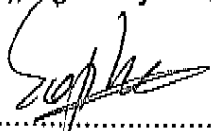
**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
  - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

**Annexure A - Nanshan Group**

This is Annexure A of 5 pages referred to in Form 604 (Notice of change of interests of substantial holder), signed by me and dated 13 October 2016.



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Name: Sophie Chen

Partner, Minter Ellison

**Nanshan Group**

	<b>Company</b>
1.	Nanshan Group Australia Pty Limited
2.	Nanshan Group Singapore Pty Limited
3.	Nanshan Group Hong King Pty Limited
4.	Nanshan Group United States Pty Limited
5.	Nanshan Group Canada Pty Limited
6.	Nanshan Group Italy Pty Limited
7.	Qingdao Airlines Co.,Ltd
8.	Qingdao New Nanshan Aviation Training Co.,Ltd
9.	Qingdao Airlines Culture and Media Co.,Ltd
10.	Qingdao New Nanshan Aviation Business Centre Co.,Ltd
11.	Qingdao Jiahang Properties Co.,Ltd
12.	Qingdao Shenghang Properties Co.,Ltd

13.	Longkou Nanshan Textile Mill Co.,Ltd
14.	Longkou Nanshan Worsted Fabric Factory
15.	Nanshan Tourism Group Co., Ltd
16.	Longkou Construction and Installation Co.,Ltd
17.	Longkou Nanshan Plastic Steel Building Materials Co.,Ltd
18.	Longkou Nanshan Industrial Park Sewage Disposal Co.,Ltd
19.	Shandong Yili Electric Co.,Ltd
20.	Longkong Beihai Thermoelectric Co.,Ltd
21.	Yantai Nanshan Manor Wine Co.,Ltd
22.	Longkou Nanshan Financing Guarantee Co.,Ltd
23.	Longkou Nanshan Western Coast Artificial Island Construction and Development Co.,Ltd
24.	Longkou Nanshan Oils and Lubricants Supply Co.,Ltd
25.	Longkou Nanshan Port Qimu Island Development Co.,Ltd
26.	Nanshan International Movie and Television Culture Co.,Ltd
27.	Shandong Nanshan Technology Industry Park Management Co., Ltd
28.	Longkou Lanting LNG Co., Ltd
29.	Shandong Nanshan Electricity Sale Co., Ltd
30.	Yantai Nanshan University

31.	Nanshan Bilingual School
32.	Yantai Nanshan Vocational – Technical School
33.	Longkou Nanshan Hospital
34.	Shandong Nanshan Healthcare Centre
35.	Longkou Nanshan Retirement Home
36.	Longkou Nanshan Kindergarten
37.	Nanshan Group Capital Investment Co., Ltd
38.	Beijing Nanshan Jiye Aviation Technology Development Co., Ltd
39.	Beijing Xin Nan Investment Development Co., Ltd
40.	Shanghai Lurun Assets Management Co., Ltd
41.	Longkou Port Qimu Island Development Co., Ltd
42.	Yantai Haiji Property Co., Ltd
43.	Nanshan Group Finance Co., Ltd
44.	Longkou Nanshan Hotel Co.,Ltd
45.	Longkou Nanshan Cultural Centre Co.,Ltd
46.	Longkou Nanshan International Golf Club Co.,Ltd
47.	Shandong Nanshan International Travel Service Co.,Ltd
48.	Longkou Nanshan International Conference Centre Co.,Ltd

49.	Yantai Nanshan Yacht Club Co.,Ltd
50.	Longkou Nanshan China Golf Association Training Centre Co.,Ltd
51.	Longkou Moon Bay Seascape Hotel Co.,Ltd
52.	Yantai Nanshan Golf School
53.	Longkou East Ocean Shipping Agency Ltd
54.	Shenzhen Former Hainanshan Finance Development Co., Ltd
55.	Furuida International Finance Leasing Co., Ltd
56.	Longkou East Ocean Real Estate Development Co., Ltd
57.	Hainan Quanji Real Estate Development Co., Ltd
58.	Hainan Jufeng Real Estate Development Co., Ltd
59.	Hainan Wanning Haiji Real Estate Development Co., Ltd
60.	Hainan Changji Real Estate Development Co., Ltd
61.	Hainan Wanning Chengtang Real Estate Development Co., Ltd
62.	Hainan Wanning Hongji Property Co., Ltd
63.	Qingdao Changji Property Co., Ltd
64.	Qingdao Xin Nan International Holiday Hotel Co., Ltd
65.	Qingdao Xin Nan International Expo Center Co., Ltd
66.	Beijing East Ocean Changji Investment Fund Management Co., Ltd

67.	Shenzhen Dacheng Fund Management Co.,Ltd
68.	Shenzhen Nanshan Xincheng Equity Investment Partnership (Limited Partnership)
69.	Shenzhen Dacheng Value Investing Partnership (Limited Partnership)
70.	Qingdao Xin Nan International Non-governmental Capital Management Co.,Ltd
71.	Qingdao Xin Nan Ruixin Investment Management Centre (Limited Partnership)
72.	Qingdao Xin Nan Ruixi Investment Management Centre (Limited Partnership)