

Australia China Holdings Limited

ARBN 067 993 506 LISTED IN AUSTRALIA

(Formerly known as SunTech Environmental Group Limited)

16 June 2009

Dear Shareholder:

NOTICE OF FULLY UNDERWRITTEN NON-RENOUCEABLE 1 FOR 4 RIGHTS ISSUE

Australia China Holdings Limited ("the Company") is pleased to announce that it intends to undertake a fully underwritten non-renounceable rights issue to raise \$4,740,000.

The rights issue offers, to eligible shareholders one (1) fully paid new share for every four (4) existing shares held at the record date at an issue price of \$0.02 together with six (6) free fully paid bonus shares for every new share subscribed, Shareholders will also receive three (3) free attaching options for every new share subscribed for under the rights issue. Shareholders will be entitled to apply for additional shares.

The Company will issue 1,658,999,892 new shares and the shares issued will rank equally in all respects with the existing shares on issue in the Company. The Company will also be issuing 710,999,954 new options expiring on 30 December 2013 at an exercise price of \$0.02. Application will be made to the ASX for quotation of all shares and options issued under the rights issue.

The indicative timetable for the rights issue is as follows*:

Announcement of Rights Issue and Prospectus	16 June 2009
Notice Sent to Shareholders	17 June 2009
"Ex" Date	19 June 2009
Record Date to determine Entitlement to New Shares	25 June 2009
Despatch of Prospectus and Application Form	26 June 2009
Closing date of Offer	14 July 2009
Despatch date/Shares and Options entered into shareholders Security holdings	20 July 2009
Trading commences for New Shares and Options	21 July 2009

** The dates above are indicative only and subject to the ASX Listing Rules and the Corporations Act 2001, the Company reserves the rights to change any date, including to extend the closing date or to close the offer early without prior notice.*

If you have any questions regarding your rights, or the mailing of the offer document and the accompanying Acceptance Form, please contact the Company on (02) 8916 6768 or by email to sec@sce88.com.

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


Stonely W.T. Sek
Company Secretary

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