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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in the Company, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**Shenzhen Dongjiang Environmental Company Limited\***  
**深圳市東江環保股份有限公司**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 8230)

**GENERAL MANDATE TO ISSUE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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Set out on pages 6 to 9 of this circular is a notice convening the annual general meeting ("AGM") of Shenzhen Dongjiang Environmental Company Limited (the "Company") to be held at Units A, B, C, D and H, 16th Floor, Shenmao Commercial Center, 59 Xinwen Road, Futian District, Shenzhen, Guangdong Province, the People's Republic of China on Monday, 29 June 2009 at 2:00 p.m.. Resolutions will be proposed at the AGM to approve the matters referred to in this circular.

A reply slip and a form of proxy are enclosed with this circular. Whether or not you are intending to attend and vote at the AGM, you are requested to complete and return the enclosed reply slip and proxy form in accordance with the instructions printed thereon to the Company's H shares registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) and to the registered office of the Company at Units A, B, C, D and H, 16th Floor, Shenmao Commercial Center, 59 Xinwen Road, Futian District, Shenzhen, Guangdong Province, the People's Republic of China (for holders of Domestic Shares) as soon as possible but in any event for the reply slip, on or before 4:00 p.m. on Monday, 8 June 2009 and for the proxy form not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the AGM or any adjourned meeting should you so desire.

*This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days and on the Company's website at <http://www.dongjiang.com.cn> from the date of its posting.*

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company to be convened and held at Units A, B, C, D and H, 16th Floor, Shenmao Commercial Center, 59 Xinwen Road, Futian District, Shenzhen, Guangdong Province, the PRC on Monday, 29 June 2009 at 2:00 p.m, the notice of which is set out on pages 6 to 9 of this circular
“Articles”	the current articles of association of the Company
“Board”	the board of Directors
“Company”	深圳市東江環保股份有限公司 (Shenzhen Dongjiang Environmental Company Limited*), a joint stock limited company incorporated in the PRC
“Directors”	the directors of the Company
“Domestic Shares”	domestic share(s) of nominal value of RMB0.10 each in the issued share capital of the Company, which are subscribed for in RMB
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign shares of the Company with a nominal value of RMB0.10 each
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to allot and issue Shares in the manner as stated in the notice of the AGM which set out on pages 6 to 9 of this circular
“Latest Practicable Date”	12 May 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

\* For identification purpose only

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## DEFINITIONS

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“PRC”	The People’s Republic of China and for the purpose of this circular, does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	Domestic Shares and H Shares
“Shareholders”	holders of the Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



**Shenzhen Dongjiang Environmental Company Limited\***  
**深圳市東江環保股份有限公司**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 8230)

*Executive Directors:*

Mr. Zhang Wei Yang (Chairman)  
Mr. Chen Shu Sheng  
Mr. Li Yong Peng

*Non-executive Directors:*

Mr. Feng Tao (Vice Chairman)  
Mr. Wu Shui Qing  
Ms. Sun Ji Ping

*Independent non-executive Directors:*

Mr. Ye Ru Tang  
Mr. Hao Ji Ming  
Mr. Liu Xue Sheng

*Registered office:*

Units A, B, C, D and H  
16th Floor, Shenmao Commercial Center  
59 Xinwen Road  
Futian District, Shenzhen  
Guangdong Province  
The PRC

*Head office and principal place of  
business in Hong Kong:*

Suites 06-12, 33rd Floor  
Shui On Centre  
Nos. 6-8 Harbour Road  
Wanchai  
Hong Kong

14 May 2009

*To the Shareholders,*

Dear Sir or Madam,

**GENERAL MANDATE TO ISSUE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the special resolution relating to the Issue Mandate to enable you to make a decision on whether to vote for or against the resolution at the AGM.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### 2. ISSUE MANDATE

At the AGM, a special resolution will be proposed to grant the Issue Mandate to the Directors to issue, allot and deal with additional Shares not exceeding 20 per cent of each of H Shares and Domestic Shares in issue on the date of the passing of the resolution. The Issue Mandate will be valid from the date of passing of the relevant special resolution approving the same up to the earliest of (a) the conclusion of the next annual general meeting of the Company following the passing of the relevant special resolution; (b) the expiration of the 12-month period following the passing of the relevant special resolution; or (c) the date on which such authority is revoked or varied by a special resolution in a general meeting.

As at the Latest Practicable Date, there were in issue in aggregate of 449,481,872 Domestic Shares and 177,900,000 H Shares. Assuming no additional H Shares and/or Domestic Shares will be allotted or issued and no existing H Shares and/or Domestic Shares are repurchased by the Company after the Latest Practicable Date but prior to the date of the AGM, if the Issue Mandate is fully exercised, the Company will be authorized to issue an additional 89,896,374 Domestic Shares and 35,580,000 H Shares.

None of the Directors has any present intention to cause the Company to allot or issue any additional Shares under this Issue Mandate if this general mandate is approved by the Shareholders. However, the Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have a general authority from the Shareholders to enable the Directors to issue additional Shares.

### 3. ANNUAL GENERAL MEETING

Set out on pages 6 to 9 of this circular is a notice convening the AGM to be held at Units A, B, C, D and H, 16th Floor, Shenmao Commercial Center, 59 Xinwen Road, Futian District, Shenzhen, Guangdong Province, the PRC on Monday, 29 June 2009 at 2:00 p.m. At the AGM, resolutions will be proposed to Shareholders to consider and, if thought fit, approve the Issue Mandate by way of a special resolution.

### 4. ACTIONS TO BE TAKEN

A reply slip and a form of proxy are enclosed with this circular. Whether or not you are intending to attend and vote at the AGM, you are requested to complete and return the enclosed reply slip and proxy form in accordance with the instructions printed thereon to the Company's H Share registrars, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) and to the registered address of the Company at Units A, B, C, D and H, 16th Floor, Shenmao Commercial Center, 59 Xinwen Road, Futian District, Shenzhen, Guangdong Province, the PRC (for holders of Domestic Shares) as soon as possible but in any event for the reply slip, on or before 4:00 p.m. on Monday, 8 June 2009 and for proxy form not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy

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## LETTER FROM THE BOARD

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form will not preclude you from subsequently attending and voting at the AGM or any adjourned meeting should you so desire.

### 5. LISTING RULES REQUIREMENTS

According to rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

### 6. RECOMMENDATION

Having considered the reasons set out herein, the Directors consider that the Issue Mandate is in the interests of the Company, the Group and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the special resolution relating to the Issue Mandate to be proposed at the AGM.

Yours faithfully,  
By order of the Board of  
**Shenzhen Dongjiang Environmental Company Limited\***  
**Zhang Wei Yang**  
*Chairman*

*\* For identification purpose only*





**Shenzhen Dongjiang Environmental Company Limited\***  
**深圳市東江環保股份有限公司**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 8230)

**NOTICE OF THE ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (“AGM”) of Shenzhen Dongjiang Environmental Company Limited (the “Company”) will be held at Units A, B, C, D and H, 16th Floor, Shenmao Commercial Center, 59 Xinwen Road, Futian District, Shenzhen, Guangdong Province, the People’s Republic of China (“PRC”) on Monday, 29 June 2009 at 2:00 p.m. for the purpose of considering, and if thought fit, passing the following:

**ORDINARY RESOLUTIONS**

1. To consider and approve the report of the board of directors of the Company (“the Board”) for the year ended 31 December 2008;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2008;
3. To consider and approve the audited consolidated financial statements and the report of the auditors for the year ended 31 December 2008;
4. To consider and approve the re-appointment of SHINEWING CERTIFIED PUBLIC ACCOUNTANTS as the Company’s PRC auditor and SHINEWING (HK) CPA Limited as the Company’s international auditor for the year 2009, and to authorise the Board to determine the auditors’ remunerations.
5. To consider and approve any proposal put forward by any shareholder of the Company holding 5% or more of the shares with voting rights at such meeting.

**SPECIAL RESOLUTION**

6. To approve the proposed grant of the following mandate to the Board,
  - (1) an unconditional general mandate to allot, issue and deal with additional shares in the capital of the Company, whether Domestic Shares or H Shares (the “Issue

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## NOTICE OF AGM

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Mandate”). The Issue Mandate can be exercised once or more than once during the Relevant Period, subject to the following conditions:

- (a) The Issue Mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers, agreements or options which might require the exercise of such powers after the Relevant Period;
  - (b) the aggregate nominal amount of shares, whether Domestic Shares or H Shares allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the Board pursuant to Issue Mandate, shall not exceed:
    - (i) 20 per cent of the aggregate nominal amount of Domestic Shares in issue; and
    - (ii) 20 per cent of the aggregate nominal amount of H Shares in issue,in each case as of the date of this resolution; and
  - (c) the Board shall only exercise its power under the Issue Mandate in accordance with the Company Law of the PRC and the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (as the same may be amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC governmental authorities are obtained; and
- (2) contingent on the Board resolving to issue shares pursuant to sub-paragraph (1) of this resolution, the Board be authorised to:
- (a) approve, execute, and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares including (without limitation):
    - (i) determine the class and number of shares to be issued;
    - (ii) determine the issue price of the new shares;
    - (iii) determine the opening and closing dates of the new issue;
    - (iv) determine the use of proceeds of the new issue;
    - (v) determine the class and number of new shares (if any) to be issued to the existing shareholders;
    - (vi) make or grant such offers, agreements and options as may be necessary in the exercise of such powers; and

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## NOTICE OF AGM

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- (vii) in the case of an offer or allotment of shares to the shareholders of the Company, exclude shareholders of the Company who are resident outside the PRC or the Hong Kong Special Administrative Region of the PRC on account of prohibitions or requirements under overseas laws or regulations or for some other reason(s) which the Board considers expedient;
- (b) increase the registered capital of the Company in accordance with the actual increase of capital by issuing shares pursuant to sub-paragraph (1) of this resolution, register the increased capital with the relevant authorities in the PRC and make such amendments to the articles of associations of the Company as it thinks fit so as to reflect the increase in the registered capital of the Company; and
- (c) make all necessary filings and registrations with the relevant PRC, Hong Kong and/or other authorities.
- (d) For the purpose of this resolution:

“Board” means the board of directors of the Company;

“Domestic Shares” means domestic shares of nominal value of RMB0.10 each in the issued share capital of the Company, which are subscribed for in Renminbi

“H Shares” means the overseas listed foreign shares of the Company with a nominal value of RMB0.10 each;

“Relevant Period” means the period from the passing of this resolution until the earliest of:

- (i) the conclusion of the next AGM of the Company following the passing of this resolution; or
- (ii) the expiration of the 12-month period following the passing of this resolution; or
- (iii) the date on which the authority set out this resolution is revoked or varied by a special resolution in a general meeting.

By order of the Board of  
**Shenzhen Dongjiang Environmental Company Limited\***  
**Zhang Wei Yang**  
Chairman

Shenzhen, the PRC, 14 May 2009

*\* For identification purpose only*

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## NOTICE OF AGM

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*As at the date of this notice, the executive directors of the Company are Mr. Zhang Wei Yang , Mr. Chen Shu Sheng, Mr. Li Yong Peng; the non-executive directors of the Company are Mr. Feng Tao, Mr. Wu Shui Qing, Ms. Sun Ji Ping; and the independent non-executive directors of the Company are Mr. Ye Ru Tang, Mr. Hao Ji Ming and Mr. Liu Xue Sheng.*

*Notes:*

- (i) The register of members of the Company in Hong Kong will be closed from Friday, 29 May 2009 to Monday, 29 June 2009 (both days inclusive) during which period no transfer of shares can be effected. For the identification of Shareholders who are qualified to attend and vote at the AGM, all transfer document accompanied by the relevant share certificates must be lodged with the H Shares registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for holder of H Shares) and with the Company's registered office at Units A, B, C, D and H, 16th Floor, Shenmao Commercial Center, 59 Xinwen Road, Futian District, Shenzhen, Guangdong Province, PRC (for holders of Domestic Shares) not later than 4:00 p.m. on Wednesday, 27 May 2009.
- (ii) Holders of Domestic Shares and H Shares whose names appear on the register of members of the Company at 4:00 p.m. Wednesday, 27 May 2009 are entitled to attend and vote at the AGM. Holders of Domestic Shares and H Shares who intend to attend the AGM should complete the reply slip and return it to the Company's H Shares registrar (for H Shares) or to the registered office of the Company (for Domestic Shares) on or before 4:00 p.m. on Monday, 8 June 2009.
- (iii) Holders of Domestic Shares and H Shares may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves. A proxy needs not be a member of the Company.
- (iv) A form of proxy for use at the meeting is enclosed herewith. In the case of a joint holding, the form of proxy may be signed by any joint holder, but if more than one joint holder is present at the meeting, whether in person or by proxy, that one of the joint holders whose name stands first on the register of members in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.
- (v) In order to be valid, the proxy form must be deposited by hand or post, for holders of H Shares, to the Company's H Shares registrar of the Company at Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong and, for holders of Domestic Shares, to the registered address of the Company at Units A, B, C, D and H, 16th Floor, Shenmao Commercial Center, 59 Xinwen Road, Futian District, Shenzhen, Guangdong Province, PRC not less than 24 hours before the time for holding the AGM. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
- (vi) Shareholders and their proxies should produce identity proof when attending the AGM.
- (vii) The AGM is not expected to last for more than half a day. Shareholders and their proxies shall be responsible for their own traveling and accommodation expenses for attending the meeting.