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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)

**CLARIFICATION ANNOUNCEMENT
AND
RESUMPTION OF TRADING**

Reference is made to the Chinese version of the annual results announcement for the year ended 31 December 2009 of Shenzhen Dongjiang Environmental Company Limited (the “Company”) dated 25 March 2010 (the “Announcement”) in relation to, among other matters, the bonus issue of shares, change of board lot size and the proposed amendments to the articles of association of the Company. Unless otherwise stated, terms used herein shall have the same meanings as defined in the Announcement.

BONUS ISSUE OF SHARES

The Company would like to clarify that in the first paragraph under the section of “BONUS ISSUE OF SHARES” on page 29 of the Announcement in Chinese version, it was mistakenly typed as “0.5 股紅股” instead of the correct figure of “1股紅股”. The Company clarifies that the aforesaid errors were inadvertently made during the preparation of the Announcement and that the basis of the Bonus Issue should be **one** bonus share for each existing share held by the shareholders of the Company.

AMENDMENT TO THE ARTICLE OF ASSOCIATION

The Company would like to clarify that in the second paragraph under the section of “Proposed Amendments to the Articles of Association” on page 30 of the Announcement in Chinese version, the percentage figure of domestic shares was mistakenly typed as “61.99%” instead of the correct figure of “71.64%” and the percentage figure of H shares was mistakenly typed as “71.64%” instead of the correct figure of “28.36%”. The Company clarifies that the aforesaid errors were inadvertently made during the preparation of the Announcement.

ADDITIONAL INFORMATION ON BONUS ISSUE OF SHARES AND CHANGE OF BOARD LOT SIZE

The Company would like to announce that the expected timetable and the dates of book closure period of the register of members of the Company for the Bonus Issue and change of board lot size will be announced as soon as practicable.

ADDITIONAL INFORMATION ON DIVIDEND

The Company would also like to announce that the dates of book closure period of the register of members of the Company and the payment date for the proposed dividend as stated in the Announcement will be announced as soon as practicable.

RESUMPTION OF TRADING

At the request of the Company, trading in H shares of the Company on the Growth Enterprise Market (the “GEM”) of the Stock Exchange was suspended with effect from 10:00 a.m. on 26 March 2010 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in H shares of the Company with effect from 9:30 a.m. on 29 March 2010.

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

Shenzhen, the People’s Republic of China
26 March 2010

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Zhang Wei Yang, Mr. Chen Shu Sheng and Mr. Li Yong Peng; three non-executive Directors, being Mr. Feng Tao, Mr. Wu Shui Qing and Ms. Sun Ji Ping; and three independent non-executive Directors, being Mr. Ye Ru Tang, Mr. Hao Ji Ming and Mr. Liu Xue Sheng.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its posting and on the Company’s website at <http://www.dongjiang.com.cn> from the date of publication.

** For identification purposes only*