

**SHENZHEN DONGJIANG ENVIRONMENTAL COMPANY LTD:
THE GOVERNMENT TO THE RESCUE, CHAIRMAN ZHANG WEI YANG ?**

Considering that this company was about 40 months old when it sought a listing on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, and considering that the Government of the People's Republic of China (PRC) is the company's éminence grise, so to speak, one cannot be overly impressed by its track record since September 1999.

The company to which **TARGET** is referring is Shenzhen Dongjiang Environmental Company Ltd, which is now known by its GEM Stock Code: Number 8230.

As the name of this Company implies, it is in the business of **Environment Protection (EP)** in the PRC, exclusively.

Page 74 of the Placing Prospectus, dated January 23, 2003, states:

'The Group is a cross-regional integrated EP management group in the PRC. Its mission is to create value for shareholders, to solve EP problems for its clients and to provide a clean and healthy environment for PRC citizens through the treatment and recycle of industrial wastes, as well as the provision of EP-related services and development of EP products. The Group is principally engaged in:

1. *collection, detoxification and recycle of industrial wastes and sale of recycled products ...;*
2. *provision and implementation of EP construction services and EP-related consultation services ...; and,*
3. *development of EP-related products ...'.*

Shenzhen Dongjiang was established in the PRC on September 16, 1999 by Mr Zhang Wei Yang, the current Chairman, and Shenzhen Fang Yuan Petrochemical Industries Company Ltd, formerly known as Shenzhen Dong Jiang Petrochemical Industries Company Ltd.

Initially, Mr Zhang Wei Yang owned 70 percent of the Issued and Fully Paid-Up Share Capital of the Company and Shenzhen Fang Yuen owned 30 percent of the Share Capital.

As for the beneficial ownership of Shenzhen Fang Yuen, it was the property as to 80 percent by Mr Zhang Wei Yang and 20 percent by his brother, Mr Zhang Wei Jun. (Page 71 of the Prospectus)

In summary, therefore, Mr Zhang Wei Yang, beneficially, owned 94 percent of the Issued and Fully Paid-Up Share Capital of the Company and brother Zhang Wei Jun owned the other 6 percent of the Share Capital.

As the years flew by, little by little, this relatively small Company brought in new shareholders so that, as at the date of the Company, going public on The GEM, it was owned as to:

Chairman Zhang Wei Yang	42.20 percent
Shanghai New Margin Venture Capital Company Ltd *	10.00 percent

Shenzhen Wen Ying Trading Ltd **	5.70 percent
Shenzhen Fang Yuan Petrochemical Industries Company Ltd ***	5.70 percent
Mr He Jian Jun	3.40 percent
China Venture Capital Incorporated ****	3.00 percent
Shenzhen High Tech Investment Company Ltd #	2.50 percent

Notes:

- * Shanghai New Margin Venture Capital Company Ltd is a PRC, Government-owned enterprise
Shenzhen Wen Ying Trading Ltd is owned as to 90 percent by Mr
- ** Zhou Wen Ying, the wife of Chairman Zhang Wei Yang, and 10 percent by Ms Cai Ping, a Supervisor of Shenzhen Dongjiang
Shenzhen Fang Yuan Petrochemical Industries Company Ltd is
- *** owned as to 90 percent by Mr Li Yong Peng, an Executive Director of Shenzhen Dongjiang, and 10 percent by Mr He Yuan Hui
China Venture Capital Incorporated is beneficially owned by
- **** independent third parties, all resident of the PRC, proper, as opposed to the Hongkong Special Administrative Region (HKSAR) of the PRC
- # Shenzhen High Tech Investment Company Ltd is, beneficially, owned by PRC, State-owned enterprises

The only logical explanation that one can reach, on seeing how this Company, from being 94 percent owned by the current Chairman to being owned by quite a number of corporate entities/individuals, must be that the Chairman's little EP company had been running short of money, from time to time, and, in order to top up the kitty, in came new shareholders with cash in their pockets, cash which they ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.