

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the twelfth Annual General Meeting (“AGM”) of members of Tianjin Capital Environmental Protection Company Limited (the “Company”) will be held at 4/F., Conference Room, the Company, 45 Guizhou Road, Heping District, Tianjin, the People’s Republic of China (the “PRC”) on 30th March 2004 at 10:30 a.m. for the purpose of considering and passing the resolutions as listed below:

I. As ordinary resolutions:

1. To consider and approve the Annual Report of the Company for the year 2003;
2. To consider and approve the Accounts of the Company for the year 2003, audited by the domestic and international certified public accountants;
3. To consider and approve the Report of the Directors of the Company for the year 2003;
4. To consider and approve the Financial Report of the Company for the year 2003 and Financial Budget for the year 2004;
5. To consider and approve the proposal in respect of the Profit Appropriation Plan of the Company for the year 2003;
6. To consider and approve the proposals relating to the re-appointment of PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co., Ltd. and PricewaterhouseCoopers Hong Kong as the domestic and international auditors of the Company;
7. To consider and approve the operating and development plans of the Company for 2004;
8. To consider and approve the Report of the Supervisory Committee for the year 2003;
9. To consider and approve the proposal relating to the extension of the validity period to one more year for the issue of the A Shares Convertible Bonds of the Company;

The major terms in respect of the proposal on the issue of A Shares Convertible Bonds include the following:

- (a) the issue size of the issue of A Shares Convertible Bonds;
- (b) the issue price of the issue of A Shares Convertible Bonds;
- (c) the maturity period of the issue of A Shares Convertible Bonds;
- (d) the rate and interest of the issue of A Shares Convertible Bonds;

9. To consider and approve the proposal relating to the extension of the validity period to one more year for the issue of the A Shares Convertible Bonds of the Company; *(Cont'd)*

The major terms in respect of the proposal on the issue of A Shares Convertible Bonds include the following:
(Cont'd)

- (e) the date of repayment of the issue of A Shares Convertible Bonds;
- (f) the conversion price and the adjustment principle of the issue of A Shares Convertible Bonds;
- (g) the conversion period of the issue of A Shares Convertible Bonds;
- (h) the re-purchase term of the issue of A Shares Convertible Bonds;
- (i) the amendment to the conversion price of the issue of A Shares Convertible Bonds;
- (j) the redemption term of the issue of A Shares Convertible Bonds;
- (k) the entitlement of dividend during the conversion year of the issue of A Shares Convertible Bonds;
- (l) the arrangement for placing of the issue of A Shares Convertible Bonds to the Company's existing shareholders;
- (m) the use of proceeds of the issue of A Shares Convertible Bonds;
- (n) the feasibility study in respect of the use of proceeds from the issue of A Shares Convertible Bonds;
- (o) the report from the board of directors on the use of proceeds from the previous fund raising exercise;
- (p) the authorisation to the board of directors of the Company with full power to issue the A Shares Convertible Bonds and to implement all related matters in respect thereof; and
- (q) the validity period for the issue of A Shares Convertible Bonds.

The above resolutions conformed with the content of the announcement on the resolutions passed in the Annual General Meeting held on 17th April 2003. Please refer to the relevant announcements published on Shanghai Securities, Hong Kong Wen Wei Po and The Standard.

II. As special resolutions:

1. To consider and approve the proposal to change the registered address of the Company;
2. To consider and approve the proposal on the grant of mandate to the Board for the allotment and issue of new shares (H Shares) and reduction in the holding of State-owned Shares:
 - a) Subject to paragraphs (c) and (d), and pursuant to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (as amended from time to time) and the Company Law of the People's Republic of China ("PRC"), the Directors of the Company are generally and unconditionally authorized to exercise all the rights of the Company, to allot and issue new shares individually and collectively during the Relevant Period and the terms and conditions for the Directors to exercise their authority to determine the allotment and issue of new shares include, inter alia:
 - (1) the number of new shares to be issued;
 - (2) the issue price of the new shares;
 - (3) the date for the commencement and closing of the issue;
 - (4) the number of new shares to be issued to the existing shareholders; and
 - (5) to make or grant offer proposals, agreements and options as may be necessary in the exercise of such powers.
 - b) To make or grant offer proposals, agreements and options to the Directors of the Company as required or may be required in the exercise of such powers during the Relevant Period as referred to in paragraph a) or after the expiry of the Relevant Period.
 - c) The total nominal amount of overseas listed foreign shares (other than those issued under the PRC Company Law and the Articles of Association of the Company (the "Articles of Association") by the capitalisation of the statutory capital reserve fund) agreed to allot or conditionally or unconditionally agreed to allot by the Directors of the Company pursuant to paragraph (a) (whether pursuant to the exercise of options or otherwise) shall not exceed 20% of the overseas listed foreign shares of the Company existing in issue.

2. To consider and approve the proposal on the grant of mandate to the Board for the allotment and issue of new shares (H Shares) and reduction in the holding of State-owned Shares: *(Cont'd)*
- d) Upon the exercise of the powers pursuant to paragraph a) above, the Directors of the Company shall
- (1) comply with the PRC Company Law and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time); and
 - (2) obtain the approval from the China Securities Regulatory Commission.
- e) For the purpose of this resolution:
- “Relevant Period” refers to the period from the date of the passing of this resolution to the earliest of following three:
- (1) twelve months after the passing of this resolution;
 - (2) conclusion of the forthcoming annual general meeting of the Company; and
 - (3) the date of the passing of a special resolution to revoke or amend the mandate as referred to in this resolution by shareholders in shareholders’ general meeting.
- f) Subject to the approval by the relevant authorities of the PRC and pursuant to the PRC Company Law, when exercising the powers under paragraph a) above, the Directors of the Company is authorized
- (1) To increase the registered capital of the Company to the required amount respectively.
 - (2) To exercise the right to reduce the holding in State-owned shares for contribution to the social security funds. In accordance with the “Interim measures on the Administration of Reduction in Holding of State-owned Shares for Contribution to the Social Security Funds” issued by the State Council on 6th June 2001.
 - (3) Subject to the approval by the relevant authorities of the PRC, the Board of Directors is authorised to make appropriate and necessary amendments to the Articles of Association, so as to reflect the changes in the capital of the Company that may have arisen under this mandate.

III. Other business:

Please refer to the announcements of the 2003 Annual Report published on the website of Shanghai Securities Exchange (www.sse.com.cn) and The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and , the resolutions of the 3rd Meeting of the third Board and the 2nd Meeting of the third Supervisory Committee published on Shanghai Securities, Hong Kong Wen Wei Po and The Standard on 13th February 2004 for the above details.

By order of the Board

Fu Yana Ip Pui Sum

Company Secretaries

Tianjin, the PRC

12th February 2004

Notes:

1. The register of members of the Company's H Shares will be closed from 1st March 2004 to 30th March 2004, both days inclusive, for the purpose of determining a Shareholder's List for the AGM. The last lodgement for share transfer must be made on 27th February 2004 at Hong Kong Registrars Limited by or before 4:00 pm. The book closing date of the register of members of the Company's H Shares for the purpose of determining a Shareholder's List for the distribution of final dividend will be announced after the AGM.
2. Each Shareholder having the rights to attend and vote at the AGM is entitled to appoint one or more proxies (whether a Shareholder or not) to attend and vote on his behalf. Should more than one proxy be appointed by one Shareholder, such proxy shall only exercise his voting rights on a poll.
3. Shareholders can appoint a proxy by an instrument in writing (i.e. by using the enclosed Proxy Form). The Proxy Form shall be signed by the person appointing the proxy or an attorney authorised by such person in writing. If the Proxy Form is signed by an attorney, the power of attorney or other documents of authorisation shall be notarially certified. To be valid, the Proxy Form and the notarially certified power of attorney or other documents of authorisation must be delivered to the above legal address of the Company in not less than 24 hours before the time scheduled for the holding of the AGM.
4. Shareholders or proxies who intend to attend the AGM are asked to send the reply slip for attendance duly completed and signed to the Secretarial Office on or before 10th March 2004 in person, by post or by fax. Please use the Proxy Form or its duplicate in writing.
5. Shareholders or their proxies shall present proofs of their identities upon attending the AGM. Should a proxy be appointed, the proxy shall also present the Proxy Form.
6. The AGM is expected to last for about half a day. The shareholders and proxies attending the AGM shall be responsible for their own travelling and accommodation expenses.

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