

**ZhongDe Waste Technology AG
Hamburg**

ISIN DE000ZDWT018 / WKN ZDWT01

(Translation for convenience purposes only)

Invitation to the Annual General Meeting

We herewith invite our shareholders to the

Annual General Meeting of ZhongDe Waste Technology AG

which takes place

on Friday, 31 July, 2009 at 10:00 CEST

at Steigenberger Hotel Hamburg, Heiligengeistbrücke 4, 20459 Hamburg

Agenda

- 1. Presentation of the adopted Annual Financial Statements of ZhongDe Waste Technology AG up to 31 December 2008 together with the status report, the approved Consolidated Financial Statements up to 31 December 2008 together with the Consolidated Annual Report, the Supervisory Board Report, the Proposal of the appropriation of retained earnings as well as of the Explicatory Report of the Management Board on the information required pursuant to Sec. 175 para. 2 for the fiscal year 2008**

The aforementioned documents will be available for inspection at the company's office at Stadthausbrücke 1-3, 20355 Hamburg and at the General Meeting for inspection by the shareholders. Furthermore, they may be inspected on the company's website at www.zhongde-ag.de. On request all shareholders receive without delay a free copy of these documents.

- 2. Resolution on the appropriation of retained earnings of ZhongDe Waste Technology AG for the fiscal year 2008**

The Management Board and Supervisory Board propose to resolve on the appropriation of retained earnings for the fiscal year 2008 as follows:

Payment of a dividend of EUR 0.15 per no-par-value share entitled to dividend.

| | | |
|---------------------------------|-----|---------------|
| Retained earnings: | EUR | 6,553,079.43 |
| Total dividend: | EUR | 1,950,000.00 |
| Amount in surplus reserve: | EUR | 0.00 |
| Carried forward to new account: | EUR | 4,603,079.43. |

The aforementioned dividend and the amount carried forward to new account are based on the share capital entitled to dividend and entitled to voting amounting to EUR 13,000,000.00 divided into 13,000,000 bearer shares no par value as at the day of the invitation to the Annual General Meeting. If the number of shares entitled to a dividend decreases or increases until the Annual General Meeting, the proposal on the appropriation of retained earnings will be amended accordingly regarding the amount of total dividend and the amount carried forward to new account, with the payment per bearer share remaining unchanged.

3. Resolution on the ratification of the actions of the Management Board for the fiscal year 2008

The Management Board and the Supervisory Board propose the ratification of the actions of the Management Board members for the fiscal year 2008.

4. Resolution on the ratification of the actions of the Supervisory Board for the fiscal year 2008

The Management Board and Supervisory Board propose the ratification of the actions of the Supervisory Board members for the fiscal year 2008.

5. Appointment of the Auditor and the Group Auditor for the Annual Financial Statement, the Consolidated Financial Statements for the fiscal year 2009

The Supervisory Board proposes to appoint BDO Deutsche Warentreuhand AG Wirtschaftsprüfungsgesellschaft, Hamburg, as Auditor of the Annual Financial Statement and the Consolidated Financial Statements for the fiscal year 2009.

6. Election of the Members of the Supervisory Board

Pursuant to Sec. 96 para. 1 of the German Stock Corporation Act (AktG) the Supervisory Board comprises members representing the shareholders only.

The member of the Supervisory Board, Mr. Joachim Ronge, resigned from office with effect from 31 December 2008. By decision as of 5 January 2009 the local court Hamburg has appointed Prof. Dr.-Ing. Bernd Neukirchen as member of the Supervisory Board until the end of this general shareholders meeting.

The Annual Meeting is not bound by election proposals.

The Supervisory Board proposes to pass the following resolution:

"Prof. Dr.-Ing. Bernd Neukirchen, consulting engineer with domicile in Essen is elected as member of the Supervisory Board."

Prof. Dr.-Ing. Bernd Neukirchen is at the time of convening this general shareholders' meeting not a member of any other supervisory boards required by law or comparable supervisory body of any companies.

The term of office of Prof. Dr.-Ing. Bernd Neukirchen starts with effect from the end of this Annual General Meeting and terminates with effect from the end of the Annual General Meeting resolving upon the ratification of actions of the Management and Supervisory Board for the fiscal year of 2012.

7. Compensation of the Members of the Supervisory Board

The Management Board and the Supervisory Board propose granting compensation to the members of the Supervisory Board as from the termination of this general meeting as follows:

- a) The basic compensation for each member of the Supervisory Board amounts to EUR 15,000.00 per calendar year. If a member of the Supervisory Board holds his or her office for less than one calendar year, the compensation shall be paid on a pro rata temporis basis.
- b) The chairman of the Supervisory Board receives four times the basic compensation; the deputy chairman receives three times the basic compensation.
- c) In addition to the basic compensation, the members of the Supervisory Board receive an annual performance-related compensation based on success of the Company in the amount of EUR 100.00 per EUR 0.01 of earnings per share as disclosed in the current consolidated financial statements, if and to the extent to exceeding a minimum amount of EUR 2.00. The cap for the performance-related compensation is an amount of earnings per share of EUR 3.50. If the member of the Supervisory Board does not hold his or her office for a full calendar year, the performance-related compensation shall be paid pro rata temporis.
- d) The basic compensation is due and payable on 31 December of each year. The performance-related compensation is due and payable after the close of the annual shareholders' meeting ratifying the acts of the Supervisory Board for the fiscal year ending before the meeting.

8. Resolution on the Authorisation to purchase and use the Company's Treasury Shares

The Management Board and Supervisory Board propose to adopt the following resolution:

"The Company is authorised to repurchase treasury shares in ZhongDe Waste Technology AG. The Company may repurchase treasury shares representing up to EUR 1,300,000.00 of the share capital. This authorisation can be exercised in whole or in instalments, once or several times. It is valid until 31 December 2010.

At the discretion of the Management Board, the repurchase may be effected on the open market or by means of a public offer or a public invitation to all shareholders. If the shares are repurchased on the open market, the countervalue per share paid by the Company (excluding incidental costs) may not be more than 10% higher or lower than the price at the Frankfurt Stock Exchange, Frankfurt am Main ("**Frankfurt Stock Exchange**") determined on the day of trading by the opening auction in the Xetra trading system (or a comparable successor system).

If the shares are repurchased by means of a public offer to all shareholders, the purchase price (excluding incidental costs) must not be more than 20% higher or lower than the price at the Frankfurt Stock Exchange determined on the fourth until the tenth day of trading by the opening auction in the Xetra trading system (or a comparably e successor system) before the publication of the offer. The volume of the offer can be limited. If the total subscriptions exceed this volume, acceptations shall be considered proportionally. The Company can provide for preferred consideration of up to 100 shares per shareholder.

Besides offering the shares on the open market or by means of a public offer the Management Board is authorised to use the treasury shares repurchased in accordance with this authorisation upon approval of the Supervisory Board as follows:

- The shares may be offered to third parties as consideration within the scope of company mergers or for the direct or indirect acquisition of companies, parts of companies or participations in companies. In this case the shareholders shall be excluded from subscription of treasury shares.
- The shares may be sold for cash under exclusion of the shareholders' subscription rights, if they are sold at a price which is not significantly lower than the stock market price of same-category Company shares at the time of the sale. The amount of shares that have been purchased under exclusion of the shareholders' subscription rights pursuant to Sec. 186 Para. 3 Sentence 4 AktG may not exceed the computed proportion of 10% of the share capital, in total EUR 1,300,000.00; this limit is reduced to the proportional amount of the share capital falling upon shares, that have been issued during the duration of this

authorisation, due to other authorisations or shares that have been issued according to Sec. 186 Para. 3 Sentence 4 AktG under exclusion of the shareholders' subscription rights.

- The shares may also be used to discharge conversion or subscription rights or conversion privileges in respect of convertible bonds under exclusion of the shareholders' subscription rights. The amount of shares transferred on grounds of this authorisation may not exceed a proportional amount of 10% of the share capital, i.e. EUR 1,300,000.00 in total, if such shares are used to discharge conversion or subscription rights or conversion privileges that have been issued or created pursuant to Sec. 186 Para. 3 Sentence. 4 AktG analogically. This limit is reduced by the proportional amount of the share capital falling upon shares, that have been issued during the duration of this authorisation or shares that have been issued according to Sec. 186 Para. 3 Sentence 4 AktG excluding shareholders' subscription rights.

- The shares may be redeemed and cancelled without a further resolution of the Annual General Meeting on the redemption or the cancellation.

Abovementioned authorisations concerning the use of treasury shares can be exercised once or several times, in whole or in instalments, individually or altogether. By this resolution the authorisation to acquire treasury shares according to the resolution of the general shareholders' meeting as of 22 July 2008 is rescinded."

9. Resolution on the Authorisation to make use of Equity Derivatives within the Scope of purchasing the Company's Treasury Shares pursuant to Sec. 71 Para. 1 No. 8 AktG

In addition to the authorisation to purchase the Company's treasury shares to be resolved on under agenda item 8, the company shall be authorised to purchase treasure shares by means of equity derivatives.

The Management Board and Supervisory Board propose to adopt the following resolution:

"The authorisation given under agenda item 8 also extends to the purchase of treasury shares by means of put options or call options. Aside from the procedures described above, the Management Board is authorised to purchase treasury shares by means of call options or put options. The Management Board is authorised to sell options, which oblige the Company to purchase treasury shares upon exercise (put options); furthermore, the Management Board is authorised to buy options, which entitle the Company to purchase treasury shares upon exercise (call options) and to purchase treasury shares by combining put options and call options.

Share purchases by means of put options, call options or purchases combining such options are limited to an amount of treasury shares representing up to EUR 650,000.00

of the share capital. The option may only allow for the purchase of treasury shares by 31 December 2010 the latest.

The purchase of treasury shares may only take place, if the conditions of the option ensure, that the shares which are used to discharge the options have been obtained in accordance with the Equal Treatment Principle.

Treasury shares may only be purchased by exercise of options, if the purchase price per share paid by the Company (excluding incidental costs but taking into consideration the option premium received or paid) is not more than 10% higher or lower than the price at the Frankfurt Stock Exchange determined on the day of trading by the opening auction in the Xetra trading system (or a comparable successor system). The award paid for call options and the award charged for put options may not diverge more than 5% from a theoretical market price ascertained by generally accepted methods of financial mathematics.

Counterpart of transactions involving options can only be banks or companies according to Sec. 53 Para. 1 Sentence 1 or Sec. 53b Para. 1 Sentence. 1 or Para. 7 of the German Credit Services Act (KWG). Shareholders of the Company cannot be counterpart of transactions involving such options.

Concerning the use of treasury shares, which have been obtained by means of equity derivatives, agenda item 8 applies, considering that the limit of the aforementioned proportional amount of the share capital of EUR 650,000 as provided for in this agenda item 9 remains unchanged. By this resolution the authorisation to use equity derivatives within the scope of purchasing the Company's treasury shares according to the resolution of the general shareholders' meeting as of 22 July 2008 is rescinded“

Report of the Management Board pursuant to Sec. 71 Para. 1 No. 8, Sec. 186 Para. 4 Sentence 2 AktG concerning Agenda Items 8 and 9

Pursuant to Sec. 71 Para. 1 No. 8, Sec. 186 Para 4 Sentence 2 AktG the Management Board gives a written report; as this report is part of this invitation, it is also available for inspection at the Annual General Meeting, at www.zhongde-ag.de and, from the day of the invitation, at the company's office at Stadthausbrücke 1-3, 20355 Hamburg during normal business hours. On request all shareholders receive without delay a free copy of these documents.

Agenda Item 8 contains the proposal to authorise the Company, to repurchase up to 1,300,000 treasury shares of ZhongDe Waste Technology AG until 31 December, 2010, representing up to 10% of the share capital on the day of the Annual General Meeting amounting up EUR 1,300,000.00 and to use such shares accordingly to this authorisation.

Furthermore, Agenda Item 9 contains the proposal to authorise the Company to repurchase treasury shares by means of equity derivatives by 31 December, 2010 the latest and to use such shares in accordance with this authorisation. Share purchases by

means of equity derivatives are limited to 650,000 treasury shares representing up to 5% of the share capital on the day of the Annual General Meeting. Statutory requirements are adhered to irrespective of the way treasury shares are purchased.

Treasury shares can be purchased on the open market or by means of a public offer or a public invitation to tender. The Equal Treatment Principle is observed.

The repurchase of treasury shares representing up to 5% of the share capital may also be effected by means of equity derivatives. Thereby the Company is given an additional choice of action to realise a buy-back by choosing the most adequate means. The Company can benefit from selling put options, purchasing call options or purchasing treasury shares by means of a combination of put options and call options instead of purchasing treasury shares directly. The repurchase by means of equity derivatives serves to complete the existing possibilities of repurchasing treasury shares, only. Options may only allow for the purchase of treasury shares by 31 December 2010 the latest. Thus it is ensured, that the term of the authorisation resolved upon under Agenda Item 8 will not be exceeded.

By selling put options the buyer obtains the right to sell shares to the Company at the price agreed upon in the option (strike price). The Company receives an award for granting an option. The award meets the theoretical market price ascertained by generally accepted methods of financial mathematics accepting an absolute aberration of up to 5%, particularly taking into account the following parameters: Strike price, duration of the option and volatility of the ZhongDe Waste Technology AG-share ("**ZhongDe-Share**"). Upon exercise of the option by the option holder, the consideration paid by the Company for the purchase of the shares is reduced by the award paid by the option-holder. A reasonable holder of a put option will only exercise this option, if the market price of the ZhongDe-Share is below the strike price. The Company benefits from buy-backs by means of put options as liquidity does not decrease until the exercise of the option although the strike price is already fixed at the time of the option transaction. Buy-backs by means of put options can only be effected, if the holder exercises his option. If the option holder does not exercise the option because the market price is higher than the strike price the Company indeed does not acquire treasury shares; however, the company pockets the award paid by the option holder.

Through the acquisition of a call option the Company is, against payment, entitled to purchase treasury shares from the vendor of the option at a price fixed in the call option agreement (strike price). The Company benefits from the exercise of the call option, if the market price of the ZhongDe-Share exceeds the strike price at the moment of exercise. The Company can protect itself against rising market prices while purchasing only as many shares as effectively required at a later date. As the strike price does not have to be paid until the exercise of the option, the Company benefits from the acquisition of call options with respect to liquidity, too.

The consideration paid by the Company for the purchase of treasury shares by means of equity derivatives consists of the strike price, the option award and acquisition

costs. At the day of exercise the strike price can be above or below the market price of the ZhongDe-Share. The strike price per share (excluding acquisition costs but plus the option award) may not be more than 10% higher or lower than the price at the Frankfurt Stock Exchange determined on the day of trading by the opening auction in the Xetra trading system (or a comparable successor system). The award paid for call options and the award charged for put options may not diverge more than 5% from a theoretical market price of the option ascertained by generally accepted methods of financial mathematics. Hereby it is guaranteed, that the amount paid respectively charged by the Company for the acquisition of treasury shares is adequate and at arms length; furthermore, shareholders of the Company cannot be discriminated against by means of buy-backs using equity derivatives. Compliance with the Equal Treatment principle is guaranteed by the requirements that the counterpart of option transactions may only be financial institutions and that the shares which are used to discharge the options must have been obtained – especially such shares that have been obtained on the stock market - in accordance with the Equal Treatment Principle. For this reason it is justified to bar shareholders from entering into option transactions with the Company.

The authorisation to repurchase treasury shares aims at enabling the Company to offer treasury shares as consideration within the scope of company mergers or for the direct or indirect acquisition of companies, parts of companies or participations in companies. Due to competition in the Company's market environment and economical development it has become necessary for the Company to be able to conduct mergers or acquire companies or participations in companies by means of equity share swap. The exclusion of pre-emption rights aims at giving the Company room to make use of opportunities of mergers and acquisition of companies or company participations quickly and flexibly, without having to use the authorised capital against contribution in kind or carrying out a capital increase against contribution in kind. When fixing the valuation ratio the Management Board will consider the shareholders' interests adequately. The amount of treasury shares offered as consideration will be determined in line with the market price of ZhongDe-Shares. The amount of consideration is, however, not tied in with market prices in order not to question negotiation results on grounds of fluctuations in the market price.

Respecting the requirements of Sec. 186 Para. 3 Sentence 4 AktG, the Company shall be able to sell treasury shares, excluding the shareholders' pre-emption rights, by other channels than the open market or by means of a public offer against payment in cash. The proposed way of selling treasury shares serves to simplify procurement of funds and thus provides for an adequate equity base. This authorisation of the Management Board to sell shares is limited, as the amount of shares may not exceed 10% of the share capital as at the date of the resolution, taking into account all authorisations pursuant to Sec. 186, Para. 3. Sentence 4 AktG. Thus, the 10%-limit is complied with in respect of all authorisations permitting the exclusion of shareholders' pre-emption rights pursuant to Sec. 186 Para. 3 Sentence 4 AktG. As – concerning the selling of treasury shares under exclusion of the shareholders' pre-emption rights pursuant to Sec. 71 Para. 1 No. 8 Sentence 5 AktG in connection with Sec. 186 Para. 3 Sentence 4 AktG – the authorisation is limited and as the selling price and the purchase price

respectively may not be significantly lower than the market price, shareholders' interests concerning property and voting rights are considered adequately. The selling price or the purchase price respectively are deemed to be significantly below the market price, if it is more than 5% below the price at the Frankfurt Stock Exchange determined on the day of trading by the opening auction in the Xetra trading system (or a comparable successor system).

The authorisation to sell treasury shares shall also enable the Company to use treasury shares and authorised shares to discharge convertible bonds under exclusion of the shareholders' pre-emption rights. With this authorisation the Company may discharge conversion or pre-emption rights or conversion privileges in respect of convertible bonds when necessary, without having to increase the share capital in use of contingent or authorised capital.

Furthermore, the Company shall be able to redeem shares without further resolution of the Annual General Meeting.

Before using the authorisation to repurchase and to use treasury shares under exclusion of the shareholders' pre-emption rights the Management Board will consider the matter cautiously on a case-by-case basis. The Management Board will only use this authorisation, if this is beneficial for the Company and thereby its shareholders and if it is proportional.

The Management Board shall notify the shareholders of each utilisation of the authorisations granted under Agenda Item 8 and/or 9 in the following Annual General Meeting.

10. Resolution on the Suspension of the Authorised Capital pursuant to Sec. 4 Para. 4 of the Articles of Association, on the Creation of a new Authorised Capital with Authorisation to exclude Pre-emption Rights and on the Amendment of the Articles of Association

Pursuant to Sec. 4 Para. 4 of the Articles of Association the Management Board is authorised to increase the share capital of the Company with consent of the Supervisory Board until 22 July 2013, once or several times by up to EUR 6,500,000.00 issuing up to 6,500,000 new bearer shares no par value in consideration of contributions in cash or in kind ("Authorised Capital 2008"). In order to enable the Company to react quickly to a change in market conditions without interfering with the stock price and to enable a long-term financial planning, the Management Board shall be authorised to increase the share capital until 31 July 2014 of up to 50% of the current share capital by issuing new bearer shares no par value.

The Management Board and the Supervisory Board propose that the following resolution be passed:

- a) The Authorised Capital 2008, that is the authorisation of the Management Board to increase the share capital of the Company with the approval of the Supervisory Board once or several times until 22 July 2013, by up to EUR 6,500,000.00 issuing up to 6,500,000 new bearer shares no par value in consideration of contributions in cash or in kind, is suspended effective from the entry of the resolutions of the General Meeting concerning the Authorised Capital 2009 according to Agenda Item 10. lit. b) and the amendment of the Articles of Association according to Agenda Item 11. lit. c) in the commercial register.
- b) The Management Board is authorised to increase the share capital of the Company with consent of the Supervisory Board until 29 June 2014, once or several times by up to a total of EUR 6,500,000.00 issuing up to a total of 6,500,000 new bearer shares no par value in consideration of contributions in cash or in kind (the "**Authorised Capital 2009**"). In each case ordinary shares and/or preference shares may be issued. The Management Board is authorised with approval of the Supervisory Board to provide that the subscription right of the shareholders is excluded in the following cases:
- if a capital increase of the share capital for contribution in kind is carried out to enable the Company to acquire companies, parts of companies or participations in companies or to acquire other contributions in kind, provided the acquisition is in the interest of the Company;
 - for fractional amounts;
 - if shares are issued in consideration of contributions in cash excluding shareholders' subscription rights and not exceeding the computed proportion of 10% of the share capital; the shares must be sold at an issue price which is not significantly lower (in terms of sec. 203 para 1 and 2, sec. 186 para. 3 sent. 4 AktG) than the stock market price of same-category Company shares at the day when the issue price is finally fixed by the Management Board;
 - to list shares of the Company or certificates representing shares in the Company on domestic or foreign stock exchanges, where shares in the Company or certificates, representing such shares in the Company are not yet listed;
 - to grant pre-emption rights to the holders of convertible bonds or participation rights granting conversion rights or option rights to an extent they would be entitled to in case of execution of their conversion right or option right respectively;
 - for granting shares to the Members of the Management Board, members of the management of affiliated companies in terms of Sec.

15 AktG, executive managers of the Company or affiliated companies or to employees of the Company or employees of affiliated companies in connection with employees' participation programs.

A capital increase under exclusion of subscription rights may not exceed 10 % of the share capital existing at the time when this authorisation is made use of, if such capital increase serves for the realisation of an employees' participation program.

The Management Board shall decide with approval of the Supervisory Board on and the details and the conditions of the capital increase out of the Authorised Capital 2009 and the issuing of new shares.

c) Sec. 4 Para. 4 of the Articles of Association will be amended as follows:

"The Management Board is authorised to increase the share capital of the Company with the consent of the Supervisory Board until 31 July 2014, once or several times by up to a total of EUR 6,500,000.00 issuing up to a total of 6,500,000 new bearer shares no par value in consideration of contributions in cash or in kind representing EUR 1.00 of the share capital ("Authorised Capital 2009"). In each case ordinary shares and/or preference shares may be issued. The Management Board is authorised to provide that the subscription right of the shareholders is excluded with the approval of the Supervisory Board in the following cases:

- if a capital increase of the share capital for contribution in kind is carried out to enable the Company to acquire companies, parts of companies or participations in companies or to acquire other contributions in kind, provided the acquisition is in the interest of the Company;
- for fractional amounts;
- if shares are issued in consideration of contributions in cash not exceeding the computed proportion of 10% of the share capital; the shares must be sold at an issue price which is not significantly lower (in terms of Sec. 203 Para. 1 and 2, Sec. 186 Para. 3 Sentence 4 AktG) than the stock market price of same-category Company shares at the day when the issue price is finally fixed by the Management Board;
- to list shares of the Company or certificates representing shares in the Company on domestic or foreign stock exchanges, where shares in the Company or certificates, representing such shares in the Company are not yet listed;
- to grant pre-emption rights to the holders of convertible bonds or participation rights granting conversion rights or option rights to an

extent they would be entitled to in case of execution of their conversion right respectively option right;

- for granting shares to the Members of the Management Board, members of the management of affiliated companies in terms of Sec. 15 AktG, executive managers of the Company or affiliated companies or to employees of the Company or employees of affiliated companies in connection with employees' participation programs.

A capital increase under exclusion of subscription rights may not exceed 10 % of the share capital existing at the time when this authorisation is made use of, if such capital increase serves for the realisation of an employees' participation program.

The Management Board shall decide with approval of the Supervisory Board on the rights to, and the details and the conditions of the capital increase out of the Authorised Capital and the issuing of new shares."

Report of the Management Board regarding the reasons for excluding Subscription Rights according to Sec. 203 Para. 1 and 2, Sec. 186 Para. 4 and 2 AktG.

Considering agenda item no.10, the Management Board and the Supervisory Board propose to overrule the present authorised capital ("**Authorised Capital 2008**") in Sec. 4 Para. 4 of the Articles of Association and to replace it by a new authorised capital, which relates to 50 % the current share capital of the company for a period until the 31 July 2014 ("**Authorised Capital 2009**").

Pursuant to Sec .203 Para. 1 and 2, Sec 186 Para. 4 Sentence 2 AktG, the Management Board reports on the reasons for the exclusion of the subscription rights. This report is part of this invitation and is also available for inspection at the Annual General Meeting, at www.zhongde-ag.de and, from the day of the invitation, at the Company's office at Stadthausbrücke 1-3, 20355 Hamburg during normal business hours. On request all shareholders receive without delay a free copy of these documents.

- (1) Suspension of the Authorised Capital 2008 and creation of the new Authorised Capital 2009

The current authorised capital in Sec. 4, Para. 4 expires on 22 July 2013. The new Authorised Capital has a term until 31 July 2014. This gives the Company the ability for a long-term financial planning.

- (2) Exclusion of pre-emption rights

The authorisation to exclude pre-emption rights is intended to enable the Company to acquire companies, parts of companies or participations in companies or to acquire other contributions in kind without losing liquidity. The Company acts in a very competitive environment; the Company as well as its shareholders take stock in the

Company being able to react quickly and flexibly to changes in the market environment. This includes the possibility to acquire companies, parts of companies or participations in companies as well as gaining strategic or other investors. In particular cases it will be in the interest of the Company as well as in the interest of its shareholders that the Company is able to acquire companies, parts of companies or participations in companies as well as to gain new investors quickly. It is not unusual that attractive acquisition opportunities can only be realised, if the Company can offer shares including voting rights in consideration. To use such opportunities the Company must be able to offer treasury shares as consideration quickly. The proposed authorisation to exclude the pre-emption right is intended to enable the Company to use transaction opportunities quickly and flexibly. Indeed, the exclusion of pre-emption rights would lead to a dilution of the proportional amount of holding and of voting power. On the other hand side the aim of enabling the Company to react quickly and flexibly could not be achieved, if the shareholders were left their pre-emption right.

At present there are no acquisition-plans to make use of the authorisation. If opportunities to acquire companies, parts of companies or participations in companies arise, the Management Board will examine carefully before making use of the authorisation for such purposes. It will only make use of the authorisation to exclude subscription rights if the transaction, especially the issue of new shares under exclusion of the shareholders' subscription rights, is in the obvious interest of the Company. The Supervisory Board will only approve if these requirements are met.

Furthermore, the pre-emption right shall be excluded for fractional amounts. As the exclusion of pre-emption rights does only extend to fractional amounts, dilution-effects are marginal. Thus, the exclusion of pre-emption rights is considered to be substantially justified and adequate by both, the Management Board as well as the Supervisory Board.

The exercise of the authorisation to increase the share capital to the exclusion of subscription rights can be reasonable and necessary in order to offer the shares in the Company publicly at a stock exchange where the shares of the company are not listed to date. In this event the exclusion of pre-emption rights can be necessary to give foreign investors the opportunity to subscribe shares in the company.

Furthermore there shall be the possibility to exclude the subscription rights in the event of a capital increase by an authorised capital, if the requirements according to Section 186 Para. 3 Sentence 4 AktG (German Stock Corporation Act) are fulfilled. These requirements are particularly met, if the capital increase does not exceed a volume of 10% of the share capital and the issue price of the new shares does not fall substantially below the issuance price of the new shares. The opportunity to exclude the subscription rights shall empower the Management Board and the Supervisory Board to practice advantageous conditions at the capital markets in order to sustain the equity capital of the company.

Finally, the authorised capital shall be used to the exclusion of subscription rights, in order to acquire shares in the Company to provide shares for employee share option programs. Thus the flexibility of the company shall be increased, particularly to win high potential executives at short notice. In such event the volume of the capital

increase by utilisation of authorised capital is limited to 10% of the existing share capital of the company.

Management Board and Supervisory Board consider the exclusion of subscription rights in above mentioned cases as justified and adequate taking into account the above mentioned facts and in consideration of the interest of the company on one side and the interest of the share holders on the other side.

(3) Report of the Management Board of the utilisation of the Authorised Capital 2008

The Management Board will report to all shareholders of each single utilisation of the authorised capital at the next ordinary general shareholders' meeting.

11. Resolution concerning the Authorisation of the Management Board to issue Option Warrants and/or Convertible Bonds also excluding Subscription Rights

In order to enhance the Company's options in terms of creating an optimum funding structure, it is proposed to grant the Management Board authorisation to issue option warrants and/or convertible bonds. The maximum total nominal amount permitted for the issuance of option warrants and/or convertible bonds is to be set at EUR 195,000,000.00; moreover, the intention is to authorise the Management Board to issue option warrants and/or convertible bonds up until 31 July, 2014.

The Management Board and the Supervisory Board propose passing the resolution as follows:

"Authorisation to issue option warrants and/or convertible bonds

The Management Board is hereby authorised, subject to Supervisory Board approval, to issue on a one-off basis or on multiple occasions up until 31 July 2014 option warrants and/or convertible bonds worth a total nominal amount of max. EUR 195,000,000.00 for a term of up to 15 years ("**bonds**") and in the event that such bonds are issued by companies in which the company has an indirect or direct majority stake, to provide the guarantee for the bonds, and to guarantee the bearers and/or creditors of the bond options and/or conversion rights for max. 6,500,000 new shares in the company with a pro rata share of the subscribed capital totalling max. EUR 6,500,000 in accordance with the requirements of the terms governing the option warrants and/or convertible bonds concerned ("**terms**").

The bonds can be issued not only in Euros, but also in the legal currency of any other OECD country, limited to the counter value of the corresponding Euro amount.

The issuance of bonds can also occur in return for the provision of a contribution in kind insofar as the value of the given contributions in kind at least equates to the issuing price of the bonds concerned, providing this does

not significantly undercut the theoretical market price of the bonds determined on the basis of recognised finance calculation methods. Shareholders generally are entitled to subscription rights on the bonds. Moreover, the bonds can be acquired by one or more credit institutions with the undertaking that the bonds are offered to shareholders for subscription purposes. The company must also guarantee shareholders their statutory subscription rights if the bonds are issued by a company in which the company holds a direct or indirect majority stake. However, the Management Board is authorised, subject to Supervisory Board approval, to exclude the subscription rights of the shareholders on the bonds,

- a) insofar as they are issued in cash and the issuing price of the bonds does not significantly undercut the theoretical market price of the bonds determined on the basis of recognised finance calculation methods. In order to determine the theoretical market value, an assessment should be obtained from a recognised, independent investment bank or audit company. The pro rata amount of the share capital of new shares acquired on the basis of option and/or conversion rights together with the shares issued on the basis of other authorisations in respect of capital increases with subscription right exclusion in accordance with Sec. 186 Para. 3 Sentence 4 AktG (German Stock Corporation Act) or on the basis of contingent capital in accordance with Sec. 221 Para. 4 Sentence 2, Sec. 186 Para. 3 Sentence 4 AktG (German Stock Corporation Act) subject to subscription right exclusion or sold on the basis of an authorisation in respect of sale in accordance with Sec. 71 Para. 1 No. 8 Sentence 5, Sec. 186 Para. 3 Sentence 4 AktG (German Stock Corporation Act) subject to subscription right exclusion, may not exceed in total the limit of ten percent of the share capital set out in Sec. 186 Para. 3 Sentence 4 AktG (German Stock Corporation Act);
- b) in order to exclude fractional amounts arising from a given subscription entitlement from the shareholders' subscription rights in respect of the bonds;
- c) to the extent that is necessary in order to grant bearers subscription rights to company shares on the basis of option and/or conversion entitlements already issued at the time of the new issuance equivalent to those they would be entitled to if they exercised their option and/or conversion rights or subsequent to compliance with conversion obligations, and/or
- d) insofar as bonds are to be issued against contributions in kind and subscription right exclusion clearly serves the company's interests.

Sec. 9 Para. 1 AktG (German Stock Corporation Act) remains unaffected. In accordance with Sec. 9 Para. 1 AktG (German Stock Corporation Act) and on the basis of a dilution protection clause following closer examination of the

relevant terms, the option and/or conversion price is to be discounted in cases where the company increases its share capital or issues further bonds and/or grants or guarantees other option rights during the option or conversion period, while offering shareholders subscription rights, and holders of existing option or conversion rights are not granted subscription rights to the extent that they would be entitled to if they exercised their option and conversion rights. The terms may also include provisions for a value-retentive adjustment of the price of the option and/or conversion resulting in the potential dilution of the value of the option and/or conversion rights. At any event, the pro rata amount of share capital of the shares to be subscribed per bond may not exceed the nominal value of the bond itself. The Management Board is hereby authorised, subject to Supervisory Board approval, to stipulate the further details concerning the issue and nature of the bonds and the associated terms and/or to stipulate these in coordination with the governing bodies of the group company issuing the bonds, above all in respect of interest rate, issuing price, term and unit size, subscription and/or exchange ratio, dilution protection, justification of a conversion obligation, stipulation of an additional cash payment, offsetting or merging peak amounts, cash payment instead of supply of shares, supply of existing shares instead of new shares from contingent capital at the Company's discretion, option and/or conversion price (which, if necessary, can be set during the term on the basis of future trading prices within a given range) and period of option and/or conversion."

b) Creation of Contingent Capital I

The company's share capital is to be increased conditionally by max. EUR 3,250,000 by issuance of max. 3,250,000 new bearer-denominated shares with profit entitlements from the start of the financial year in which they are issued (contingent capital I). The conditional capital increase serves the purpose of granting shares to the bearers or creditors of option or conversion bonds, which are issued in accordance with the authorisation of the annual general shareholders' meeting of 29 June 2009 by the company or companies in which the company holds a direct or indirect majority stake up until 29 June 2014 to the extent that the issue occurs in return for cash. It is to be carried out only to the extent that option or conversion rights in respect of the above-mentioned bonds are used or conversion obligations in respect of such bonds are used and to the extent that no other forms of fulfilment are used. The issue of the new shares is to occur in accordance with the given option or conversion price which in each case must equate to 130 % of the average weighted stock market price of the company's shares as traded in the final Xetra auction at the Frankfurt stock exchange (or a comparable successor system), namely during the ten trading days prior to the day on which the resolution is passed by the management board concerning issuance of the bonds concerned or, in the event that a subscription right is granted in respect of the bonds during the period of subscription excluding the last five days prior to the end of the period of subscription. Sec. 9 Para. 1 AktG (German Stock Corporation Act) remains unaffected.

The Management Board is hereby authorised, subject to Supervisory Board approval, to stipulate the further details concerning the execution of the contingent capital increase. The Supervisory Board is hereby authorised to amend Sec. 4 (1) and Sec. 4 (2) of the Articles of Association regarding the company's share capital and its allocation as well as Sec. 4 (5) of the articles of association regarding the contingent capital I.

- c) A new Sec. 4 Para. 5 with the following wording is to be added to the articles of association:

"The company's share capital has been increased conditionally by max. EUR 3,250,000 by issuance of max. 3,250,000 new bearer-denominated shares with profit entitlements from the start of the financial year in which they are issued (contingent capital I). The conditional capital increase serves the purpose of granting shares to the bearers or creditors of option or conversion bonds, which are issued in accordance with the authorisation of the annual general shareholders' meeting of 29 June 2009 by the company or companies in which the company holds a direct or indirect majority stake up until 29 June 2014 to the extent that the issue occurs in return for cash. It is to be carried out only to the extent that option or conversion rights in respect of the above-mentioned bonds are used or conversion obligations in respect of such bonds are used and to the extent that no other forms of fulfilment are used. The Management Board is hereby authorised, subject to Supervisory Board approval, to stipulate the further details concerning the execution of the contingent capital increase."

12. Resolution regarding the Creation of a Contingent Capital and Amendment of the Articles of Association

The Management Board and the Supervisory Board propose passing the resolution as follows:

- a) Creation of Contingent Capital

The Company's share capital is to be increased conditionally by max. EUR 6,500,000 by issuance of max. 6,500,000 new bearer-denominated shares with profit entitlements from the start of the financial year in which they are issued (Contingent Capital). The conditional capital increase serves the purpose of granting shares to the bearers or creditors of option or conversion bonds, which are issued in accordance with the authorisation of the annual general shareholders' meeting of 31 July, 2009 by the company or companies in which the company holds a direct or indirect majority stake up until 31 July, 2014 to the extent that the issue occurs in return for cash. It is to be carried out only to the extent that option or conversion rights in respect of the above-mentioned bonds are used or conversion obligations in respect of such bonds are used and to the extent that no other forms of fulfilment are used. Even in the case of a variable exchange ratio and/or option or conversion price, the issue of the new

shares is to occur in accordance with the given option or conversion price which must equate to at least 80 % of the average weighted stock market price of the company's shares as traded in the final Xetra auction at the Frankfurt stock exchange (or a comparable successor system), namely during the ten trading days prior to the day on which the resolution is passed by the management board concerning issuance of the bonds concerned or, in the event that a subscription right is granted in respect of the bonds during the period of subscription excluding the last five days prior to the end of the period of subscription. Sec. 9 Para. 1 AktG (German Stock Corporation Act) remains unaffected.

The Management Board is hereby authorised, subject to Supervisory Board approval, to stipulate the further details concerning the execution of the contingent capital increase. The Supervisory Board is hereby authorised to amend Sec. 4 (1) and Sec. 4 (2) of the Articles of Association regarding the Company's share capital and its allocation as well as Sec. 4 (5) of the Articles of Association regarding the Contingent Capital.

- b) A new Sec. 4 Para. 5 with the following wording is to be added to the Articles of Association:

"The Company's share capital has been increased conditionally by max. EUR 6,500,000 by issuance of max. 6,500,000 new bearer-denominated shares with profit entitlements from the start of the financial year in which they are issued (Contingent Capital). The conditional capital increase serves the purpose of granting shares to the bearers or creditors of option or conversion bonds, which are issued in accordance with the authorisation of the annual general shareholders' meeting of 31 July, 2009 by the Company or companies in which the Company holds a direct or indirect majority stake up until 31 July, 2014 to the extent that the issue occurs in return for cash. It is to be carried out only to the extent that option or conversion rights in respect of the above-mentioned bonds are used or conversion obligations in respect of such bonds are used and to the extent that no other forms of fulfilment are used. The Management Board is hereby authorised, subject to Supervisory Board approval, to stipulate the further details concerning the execution of the contingent capital increase."

Report of the Management Board to the annual general shareholders' meeting on agenda items 11 and 12 in accordance with Section 221 Para. 4 Sentence 2, 186 Para. 4 Sentence 2 AktG (German Stock Corporation Act)

We propose herewith to the annual general shareholders' meeting that a new authorisation and new contingent capital be approved in connection with the issue of option and/or convertible bonds. In addition to the classic options of borrowing external capital or increasing equity, the issuance of option warrants and/or convertible bonds (or combinations of these instruments) offers the possibility of using attractive funding alternatives on the capital market depending on the given market situation and

thus laying secure foundations for the Company's future business development. In the Management Board's view, the Company is interested in having enhanced access to this funding option in future. To this end, the intention is to widen the framework of availability to a total nominal sum of option warrants and/or convertible bonds amounting to max. EUR 195,000,000 and a subscription entitlement of max. 6,500,000 bearer-denominated company shares. Moreover, the aim is to authorise the Management Board, subject to Supervisory Board approval, to issue option warrants and/or convertible bonds up until 31 July, 2014. The issue of the bonds may also occur in return for contributions in kind such as those connected with the acquisition of companies, participations in companies or parts of companies. The issuance of bonds facilitates the borrowing of capital on attractive terms. The premiums generated via the options and/or conversion benefit the Company's capital base and enable the Company to take advantage of favourable funding options. The further option of creating conversion obligations in addition to granting option and/or conversion rights enhances the available scope in terms of the nature of the funding instrument concerned. This authorisation gives the Company the necessary flexibility to place the bonds itself or via companies in which it holds a direct or indirect majority participation.

The bonds can be issued not only in Euros, but also in the legal currency of any other OECD country.

Shareholders generally are entitled to a subscription right. However, the Management Board shall be authorised, subject to Supervisory Board approval, to exclude subscription rights as defined under Section 186 Para. 3 Sentence 4 AktG (German Stock Corporation Act) in respect of the issue of bonds in return for cash. The pro rata amount of share capital of the shares to be subscribed on the basis of option or conversion rights must be limited to ten percent of the company's share capital. As far as the limit of ten percent of share capital is concerned, the issue of shares, issued on the basis of other authorisations for capital increase purposes with subscription right exclusion in accordance with Section 186 Para. 3 Sentence 4 AktG (German Stock Corporation Act) or on the basis of contingent capital in accordance with Sections 221 Para. 4 Sentence 2, 186 Para. 3 Sentence 4 AktG (German Stock Corporation Act) with subscription right exclusion and the sale of shares, sold on the basis of an authorisation in accordance with Sections 71 Para. 1 No. 8 Sentence 5, 186 Para. 3 Sentence 4 AktG (German Stock Corporation Act) with subscription right exclusion, are also to be taken into account. In so doing, the aim is to ensure that no bonds are issued if this would lead to shareholder subscription rights being excluded for more than ten percent of share capital via the direct or indirect application of Section 186 Para. 3 Sentence 4 AktG (German Stock Corporation Act) for no special, concrete reason. This further limitation serves the interest of such shareholders as wish to maintain their respective holding ratio as far as possible when capital-related measures are being taken.

This option of excluding subscription rights gives the company the flexibility of being able to take advantage of favourable market situations at short notice. Key is that, in contrast to bond issuance with subscription rights, the issuing price can be set immediately prior to the placement, thus avoiding the enhanced risk of price changes during the subscription period. The aim of stipulating that the issuing price of the bonds may not undercut their theoretical market value is to ensure that the value of the Company's shares is not diluted to any

significant degree. To this extent, the Management Board is obliged to obtain an assessment from a recognised, independent investment bank or audit company. In this way, the protection of the shareholders from a dilution of their given shareholding is guaranteed and the shareholders suffer no economic disadvantage via subscription right exclusion. Shareholders wishing to maintain their share of the Company's share capital or acquire bonds in accordance with their participation ratio can do so in the form of purchasing activities via the market.

The Management Board is, furthermore, authorised, subject to Supervisory Board approval, to exclude fractional amounts from subscription entitlements. Such fractional amounts can result from differences between the issuance volume and the stipulation of a practicable subscription ratio. In such cases, subscription right exclusion facilitates the handling of the capital measure concerned. The free peaks excluded from shareholder subscription rights are put to the Company's best advantage via sale, the stock market or in some other way.

Additionally, the Management Board should be given the option, subject to Supervisory Board approval, of excluding shareholder subscription rights in order to grant bearers or creditors subscription rights to company shares on the basis of option and/or conversion entitlements or convertible bonds subject to conversion obligations equivalent to those they would be entitled to if they exercised their option and/or conversion rights or subsequent to compliance with conversion obligations. In this way, the Company can avoid having to reduce the option and/or conversion price for holders of existing option and/or conversion rights in accordance with the option and/or conversion terms or having to provide a different form of dilution protection, in the event that the authorisation is exercised.

The Management Board is further authorised, subject to Supervisory Board approval, to exclude shareholder subscription rights to the extent that the bonds are issued in return for contributions in kind and insofar as subscription right exclusion serves the clear interests of the company. This opens up the possibility in suitable cases of using bonds as the currency of acquisition, thus enabling the company to acquire interesting properties at short notice without excessively burdening liquidity. The Management Board should check on a per-case basis whether it wishes to make use of its authorisation to issue bonds in return for contributions in kind with subscription right exclusion.

For the purposes of flexibility enhancement, provisions can be made in the terms governing the bonds, enabling the company to pay a holder of option and/or conversion rights the equivalent value in cash rather than in the form of company shares. Provisions can also be made such that the number of shares to be subscribed and/or related exchange rights are variable when exercising option or conversion rights or subsequent to compliance with conversion obligations and/or the option and/or conversion price can be changed within a range to be set by the Management Board based on the development of the share price or as a consequence of dilution protection measures during the given term.

Even in the case of a variable exchange ratio and/or option or conversion price, the issue of the new shares is to occur in accordance with the given option or conversion price which must equate to at least 80 % of the average weighted stock market price of the Company's shares as traded in the final Xetra auction at the Frankfurt stock

exchange (or a comparable successor system), namely during the period mentioned above.

The proposed conditional increase in share capital serves to facilitate the exercising of the option and/or conversion rights relevant to the bonds or the compliance with conversion obligations in respect of the Company's shares to the extent that no other forms of exercise or compliance facilitation are used.

Share capital and voting rights

The share capital of the Company is EUR 13,000,000.00, divided into 13,000,000 bearer shares no par value, each share representing EUR 1.00 of the share capital. The total amount of voting rights is 13,000,000. The information given above applies to date of publishing in the German Electronic Federal Gazette.

Participation in the General Meeting and Exercise of Voting Rights

To be entitled to attend the Annual General Meeting and to exercise their voting rights stockholders must register with the Company at the following address in either German or English and submit a written record of share ownership in either German or English. To confirm share ownership a written record issued by their depository bank in either German or English is sufficient. This record shall refer to the beginning of 10 July, 2009, 00:00 CEST. The registration and the record confirming the share ownership must reach the Company no later than by the end of 24 July, 2009, 24:00 CEST at:

ZhongDeWaste Technology AG
c/o Sal. Oppenheim jr. & Cie. KGaA
General Meetings
Postbox 20 01 07
60605 Frankfurt am Main
Fax: +49 (0) 69 12012-86045
e-mail: wp.hv@xchanging.com

Shareholders, who have duly registered for the general shareholders' meeting and who have duly submitted a written record of share ownership, are provided with admission tickets.

Proxy Voting

Shareholders may exercise their voting rights through a proxy, for example a bank or a shareholder' association. If shareholders do not vote through banks or shareholder' associations, the authorisation has to be in writing. Sec. 135 AktG (German Stock Corporation Act remains unaffected. Shareholders will be sent an authorisation form together with the admission ticket and on request.

Shareholders are offered the opportunity to vote through an official company proxy, who is exclusively bound to the shareholders' instructions. The official company proxy can be authorised and instructed in writing, per fax or email. The details that need to be considered in relation to proxy voting through the official company proxy are contained in the documents that the shareholders will receive from their depository bank. In addition, shareholders can obtain information in relation to voting through the official company proxy under www.zhongde-ag.de investor relations/general shareholders' meeting.

Shareholder Motions and Election Proposals

Motions and election proposals pursuant sec. 126 AktG and sec. 127 AktG (German Stock Corporation Act) must be sent to

ZhongDe Waste Technology AG
- Management Board –
address: Stadthausbrücke 1-3, 20355 Hamburg
or
by fax to: +49 (0) 40 37644 500
or
by email to: hv@zhongdetech.de

exclusively.

Motions and election proposals that have reached the Company in due form no later than by the end of 16 July, 2009 (24:00 CEST) at the aforementioned address will be published on the Company's website at www.zhongde-ag.de immediately. Any statements of the management will be likewise published at the aforementioned address

Hamburg, June 2009
ZhongDe Waste Technology AG
Management Board