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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 about this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in 上海棟華石油化工有限公司 (the “**Company**”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of the Company (the “**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of the Stock Exchange of Hong Kong Limited (“**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, (i) the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



### 上海棟華石油化工有限公司 SHANGHAI TONVA PETROCHEMICAL CO., LTD.\*

*(a joint stock company established in the People's Republic of China with limited liability)*  
(Stock code: 8251)

#### GENERAL MANDATE TO ISSUE NEW SHARES AND NOTICE OF ANNUAL GENERAL MEETING

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A notice convening the annual general meeting of the Company (the “**AGM**”) to be held at Room 2201, 22/F, BM Tower, 218 Wu Song Road, Hong Kou District, Shanghai, PRC on Tuesday, 31 May 2011 at 10:00 a.m. is set out on pages 6 to 9 of this circular.

A form of proxy for the AGM is enclosed in this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the registrar of H shares of the Company in Hong Kong, Computershare Hong Kong Investor Services Ltd. at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in accordance with the instructions printed thereon by not less than 48 hours before the time fixed for the AGM or any adjourned meeting thereof. Completion and return of a form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person should you so wish.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the day of its publication and on the Company's website at <http://www.tonva.com>.

31 March 2011

\* For identification purposes only

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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 held at Room 2201, 22/F, BM Tower, 218 Wu Song Road, Hong Kou District, Shanghai, PRC on Tuesday, 31 May 2011 at 10:00 a.m., notice of which is set out on pages 6 to 9 of this circular
“Articles of Association”	the articles of association of the Company adopted by the Company on 20 May 2010
“Board”	the board of Directors
“Company”	上海棟華石油化工股份有限公司 (Shanghai Tonva Petrochemical Co., Ltd.*), a joint stock limited company incorporated in the PRC and whose H Shares are listed on GEM
“Directors”	the directors of the Company
“Domestic Share(s)”	domestic share(s) of nominal value of RMB0.10 each in the 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 as amended from time to time
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign invested share(s) of the Company with a nominal value of RMB0.10 each
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	28 March 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Notice of AGM”	the notice convening the AGM as set out at the end of this circular
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the Notice of AGM

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## DEFINITIONS

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“PRC”	The People’s Republic of China and, for the purpose of this circular, shall exclude Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	Domestic Share(s) and H Share(s)
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Domestic Shares and/or H Shares during the period as set out in Special Resolution no. 9 with an aggregate nominal amount of up to but not exceeding 20% of the aggregate nominal amount of H Shares and Domestic Shares in issue as at the date of passing of Special Resolution no. 9
“Shareholder(s)”	Holder(s) of the Shares
“Special Resolution(s)”	the proposed special resolution(s) as referred to in the Notice of AGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisors”	the supervisors of the Supervisory Committee of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent.

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LETTER FROM THE BOARD OF DIRECTORS

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上海棟華石油化工股份有限公司  
**SHANGHAI TONVA PETROCHEMICAL CO., LTD.\***

*(a joint stock company established in the People's Republic of China with limited liability)*

(Stock code: 8251)

*Executive Directors:*

Qian Wenhua (*Chairman*)

Lu Yong

Zhang Jinhua

Jin Xiaohua

Li Hongyuan

Mo Luojiang

*Non-Executive Directors*

Chan Cheuk Wing Andy

Hsu Chun-min

*Independent Non-Executive Directors:*

Li Li

Zhu Shengfu

Ye Mingzhu

*Registered Office:*

706 Renhe Building

2056 Pudong Road

Pudong New Area Shanghai

PRC 200135

*Principal Place of Business in*

*Hong Kong:*

Room 904-05

Tai Yip Building

No. 141 Thomson Road

Wanchai

Hong Kong

31 March 2011

*To the Shareholders*

Dear Sir or Madam,

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

**1. INTRODUCTION**

At the AGM to be held on, Tuesday, 31 May 2011 at 10:00 a.m., Ordinary Resolutions relating to the ordinary business, together with a Special Resolution to grant to the Directors the Share Issue Mandate will be proposed for consideration and, where appropriate, approval by the Shareholders.

\* *For identification purposes only*

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## LETTER FROM THE BOARD OF DIRECTORS

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### 2. SHARE ISSUE MANDATE

At the AGM, a special resolution will be proposed to renew the unconditional general mandate given to the Directors to issue, allot and deal with additional H Shares and/or Domestic Shares and to make or grant offers, agreements and options in respect thereof not exceeding 20% of the aggregate nominal amount of H Shares and Domestic Shares in issue on the date of passing of the Special Resolution no. 9.

The Share 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 of the Shareholders in a general meeting. The existing general mandate to issue Shares granted to the Directors pursuant to the special resolution passed by the Shareholders at the annual general meeting dated 20 May 2010 will expire on 30 May 2011.

As at the Latest Practicable Date, there were in issue in aggregate of 480,000,000 Domestic Shares and 456,190,000 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 Share Issue Mandate is fully exercised, the Company will be authorized to issue an additional of 96,000,000 Domestic Shares and 91,238,000 H Shares. The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the general mandate. The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to issue Shares at such time as the Directors think fit without the need to convene a general meeting to approve issue of Shares.

### 3. AGM

Pursuant to rule 17.47(4) of the GEM Listing Rules, any vote of shareholders must be taken by poll. Pursuant to Article 73 of the Articles of Association, at any Shareholders' general meeting, a resolution shall be decided on a show of hands unless a poll is demanded before or after any vote by show of hands by:

- (a) the chairman of the meeting;
- (b) at least two Shareholders, who possess the right to vote, present in person or by proxy;  
or
- (c) one or more Shareholders (including proxies) representing, either calculated separately or in aggregate, one-tenth or more of all Shares carrying the right to vote at the meeting.

To comply with the GEM Listing Rules requirement, the chairman intends to demand a poll on each of the resolutions set out in the Notice of AGM.

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## LETTER FROM THE BOARD OF DIRECTORS

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### 4. ACTION TO BE TAKEN

A form of proxy for the AGM is enclosed in this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the registrar of H Shares of the Company in Hong Kong, Computershare Hong Kong Investor Services Ltd. at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in accordance with the instructions printed thereon by not less than 48 hours before the time fixed for the AGM or any adjourned meeting thereof. Completion and return of a form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person should you so wish.

### 5. RECOMMENDATION

The Board considers that the Share Issue Mandate, and all other resolutions set out in the Notice of AGM are all in the best interest of the Company and its Shareholders. Accordingly, the Directors recommend that you vote in favour of each of the Ordinary Resolutions and the Special Resolution as set out in the Notice of AGM.

Yours faithfully,  
For and on behalf of  
**Shanghai Tonva Petrochemical Co., Ltd.**  
**Qian Wenhua**  
*Chairman*



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## NOTICE OF AGM

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# 上海棟華石油化工股份有限公司 SHANGHAI TONVA PETROCHEMICAL CO., LTD.\*

*(a joint stock company established in the People's Republic of China with limited liability)*

**(Stock code: 8251)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of Shanghai Tonva Petrochemical Co., Ltd. (the "Company") will be held at Room 2201, 22/F, BM Tower, 218 Wu Song Road, Hong Kou District, Shanghai, the People's Republic of China on Tuesday, 31 May 2011 at 10:00 a.m. for the purposes of considering, and if thought fit, pass the following resolutions:

### **AS ORDINARY RESOLUTIONS:**

1. To receive and approve the audited financial statements of the Company and its subsidiaries and the report of the auditors of the Company for the year ended 31 December 2010;
2. To receive and approve the report of the board of directors of the Company (the "Board") for the year ended 31 December 2010;
3. To receive and approve the report of the supervisory committee of the Company (the "Supervisory Committee") for the year ended 31 December 2010;
4. To approve the remuneration of the directors of the Company (the "Directors") and supervisors of the Company (the "Supervisors") for the year ended 31 December 2010;
5. To consider and approve the re-appointment of BDO Limited, as the international auditors for the Company for the year ending 31 December 2011 and authorize the Board to fix their remuneration;
6. To consider and approve the declaration and payment of a final dividend for the year ended 31 December 2010 in the amount and in the manner recommended by the Board;
7. To consider and approve the Board to determine the distribution of interim dividend and special dividend, if any, for the year ending 31 December 2011;
8. To authorize the Board to fix the remuneration of the Directors and Supervisors for the year ending 31 December 2011.

\* *For identification purposes only*

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## NOTICE OF AGM

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### AS SPECIAL RESOLUTION:

9. “THAT:

(a) the Board be and is hereby granted an unconditional general mandate to separately or concurrently issue, allot and deal with additional H Shares and/or Domestic Shares in the share capital of the Company and to make or grant offers, agreements and options in respect thereof, subject to the following terms:

(i) such 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 end of the Relevant Period;

(ii) the aggregate nominal amount of the Domestic Shares and/or the H Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Board shall not exceed:

1. 20 per cent. of the aggregate nominal amount of the Domestic Shares in issue; and

2. 20 per cent. of the aggregate nominal amount of the H Shares in issue,

respectively, in each case as at the date of this resolution; and

(iii) the Board will only exercise its power under such 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 government authorities are obtained;

(b) for the purposes of this resolution:

“Domestic Share(s)” mean ordinary domestic share(s) in the share capital of the Company which are subscribed and/or paid for in Renminbi;

“H Share(s)” mean overseas listed foreign invested shares (being ordinary shares) in the share capital of the Company which are subscribed and/or paid for in Hong Kong dollars or foreign currency other than Renminbi;

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## NOTICE OF AGM

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

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
  - (ii) the expiration of the 12-month period following the passing of this resolution; and
  - (iii) the date on which the authority set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting;
- (c) contingent on the Directors resolving to issue shares pursuant to subparagraph (a) of this resolution, the Board be and is hereby authorised to 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, determining the time and place of issue, making all necessary applications to the relevant authorities and entering into an underwriting agreement (or any other agreement), to determine the use of proceeds and to make all necessary filings and registrations with the relevant PRC, Hong Kong and other authorities, and to make such amendments to the articles of association of the Company as it thinks fit so as to reflect the increase in registered capital of the Company and to reflect the new share capital structure of the Company under the intended allotment and issue of the shares of the Company pursuant to the resolution under subparagraph (a) of this resolution.”

By order of the Board  
**Shanghai Tonva Petrochemical Co., Ltd**  
**Qian Wenhua**  
*Chairman*

Shanghai, PRC, 31 March 2011

*Principal place of business in Hong Kong:*

Room 904-05, Tai Yip Building, No. 141 Thomson Road, Wanchai, Hong Kong

*Registered Office in the PRC:*

706 Renhe Building, 2056 Pudong Road, Pudong New Area Shanghai, the PRC, 200135

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## NOTICE OF AGM

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*Notes:*

- (i) Any shareholder who is entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote at the meeting on his or her behalf. A proxy needs not be a member of the Company. A form of proxy for use at the meeting is hereby enclosed. In the case of joint holders of a share, any one of such joint holders may sign the form of proxy. If more than one of such joint holders attend the meeting either in person or by proxy, the vote of the joint holder whose name appears first in the register of members of the Company shall be accepted to the exclusion of the other joint holder(s).
- (ii) In order to be valid, the proxy form and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be deposited at the registrar of the H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in respect of holders of the H Shares) and the Company's place of business in Shanghai at Room 2201, BM Tower, 218 Wusong Road, Hongkou District, Shanghai, the PRC 200080 (in respect of the Domestic Shares), not less than 24 hours before the time for holding the meeting or 24 hours before the time appointed for taking the poll.
- (iii) The register of members of the Company will be closed from 30 April 2011 (Saturday) to 31 May 2011 (Tuesday) (both days inclusive). All properly completed H Shares transfer forms accompanied by the relevant share certificates must be lodged with the registrar of the H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on 29 April 2011 (Friday) for registration.
- (iv) Holders of the Domestic Shares and the H Shares whose names appear in the register of members on 30 April 2011 are entitled to attend and vote at the meeting.
- (v) Holders of the Domestic Shares and the H Shares who intend to attend the meeting shall complete and deposit or post or fax (fax no: (86) 21 63257855) the enclosed reply slip to the Company's place of business in Shanghai at Room 2201, BM Tower, 218 Wusong Road, Hongkou District, Shanghai, the PRC 200080 on or before 30 April 2011.
- (vi) Holders of the Shares or their proxies shall produce their identity documents when attending the meeting.
- (vii) Pursuant to Article 73 of the Articles of Association, a poll may be demanded by the following persons:
  - (1) chairman of the meeting;
  - (2) at least two shareholders entitled to vote in person or by proxy; or
  - (3) one or more shareholders representing in aggregate 10% or more of all Shares carrying the right to vote at the meeting present in person or by proxy.

The chairman intends to demand a poll on each of the resolutions submitted for voting at the meeting.

- (viii) PRC is defined as The People's Republic of China. Hong Kong is defined as the Hong Kong Special Administrative Region of the PRC.

*As at the date of this notice, the Board comprises 6 executive Directors: Qian Wenhua, Lu Yong, Zhang Jinhua, Jin Xiaohua, Li Hongyuan and Mo Luojiang; 2 non-executive Directors: Chan Cheuk Wing Andy and Hsu Chun-min; and 3 independent non-executive Directors: Li Li, Ye Mingzhu, and Zhu Shengfu.*