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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)

**FURTHER INFORMATION ON THE PAYMENT OF
2010 FINAL DIVIDEND**

Reference is made to the preliminary announcement for the results for the year ended 31 December 2010 of Shanghai Tonva Petrochemical Co., Ltd. (the “**Company**”) dated 23 March 2011 (the “**Announcement**”) in respect of, among other things, the payment of the final dividend for the year ended 31 December 2010 (the “**2010 Final Dividend**”). The board of directors of the Company (the “**Board**”) wishes to clarify certain information in relation to the payment of the 2010 Final Dividend as follows.

The Company noticed the recent change of PRC tax regulations that the State Administration of Taxation abolished the Circular on the Questions Concerning Tax on the Profits Earned by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners from the Transfer of Stocks (Stock Rights) and on Dividend (Guo Shui Fa [1993] No. 45) (《關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知》(國稅發[1993]45號)) issued by the State Administration of Taxation, which provided temporary exemption to individual foreigners holding H shares from the PRC individual income tax for any dividend (bonus) received from domestic enterprises which issued such H shares, by the Announcement on the List of Fully and Partially Invalid and Repealed Tax Regulatory Documents (《關於公佈全文失效廢止、部份條款失效廢止的稅收規範性文件目錄的公告》) issued on 4 January 2011 (the “**2011 Announcement**”).

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Tentative Measures on Withholding and Payment of Individual Income Tax (《個人所得稅代扣代繳暫行辦法》) and other relevant laws and regulations, individual foreigners who are the holders of H shares shall pay individual income tax at a tax rate of 20% upon their receipt of distribution of dividend (bonus) from domestic enterprises which issued such H shares, which shall be withheld and paid by such domestic enterprises on behalf of such individual H shareholders. Such individual H shareholders may, however, enjoy applicable preferential treatment (if any) in accordance with the relevant provisions of applicable tax agreements (arrangements), provided that relevant PRC tax authorities confirm the same based on the information provided by such individual H shareholders.

* *For identification only*

However, the Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax (《財政部國家稅務總局關於個人所得稅若干政策問題的通告》) dated 13 May 1994 (the “1994 Notice”) grants exemption to foreign individuals from PRC individual income tax payable on dividend received from foreign-invested enterprises. The status of the Company has been changed from “Chinese domestic enterprise” to “foreign-invested enterprise” upon the listing of its shares on the Stock Exchange of Hong Kong Limited, which has been approved by the relevant PRC industry and commerce administration authority. Based on the Company’s understanding of the 1994 Notice, the individual shareholders who hold the Company’s H shares and whose names appear on the register of members of H shares of the Company (the “**Individual H Shareholders**”) are not required to pay PRC individual income tax when the Company distributes the 2010 Final Dividend based on the 1994 Notice. Therefore, the Company as a foreign-invested enterprise will not withhold any amount of the 2010 Final Dividend to be distributed to the Individual H Shareholders and pay the PRC individual income tax on behalf of the Individual H Shareholders as required under the 2011 Announcement. The Company will issue further announcement(s) in respect of any material development upon confirmation by the relevant PRC tax authorities on appropriate application of the relevant tax laws and regulations. The Company expects to distribute the 2010 Final Dividend to its shareholders on or before 29 July 2011.

Shareholders are recommended to consult their taxation advisors for advice on the PRC, Hong Kong and other tax effects with respect to the holding and disposing of H shares of the Company.

Other information in respect of the distribution of the 2010 Final Dividend as disclosed in the Announcement remains unchanged.

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

Shanghai, 13 July 2011

As at the date of this announcement, 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.

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

This announcement will remain on the GEM website 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 website of the Company at <http://www.tonva.com>.