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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)

DISCLOSEABLE TRANSACTION
RELOCATION COMPENSATION

The Board announced that on 25 September 2011, Nantong Highway and Bridge, a non-wholly owned subsidiary of the Company, entered into the Relocation Compensation Agreement with the Nantong Project Conversion Construction Unit (who acts on behalf of the People's government of Chong Chuan District of Nantong City, Jiangsu Province, the PRC), where Nantong Highway and Bridge will receive an aggregate of, RMB64,080,000 from the People's government of Chong Chuan District as Relocation Compensation for relocation of its Plants (as defined below) from the Land, in accordance with the terms of the Relocation Compensation Agreement.

As the relevant applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) for the receipt of the Relocation Compensation exceed 5% but below 25% and it is a transaction of a revenue nature outside the ordinary course of business of the Company and its subsidiaries, the receipt of the Relocation Compensation constitutes a discloseable transaction of the Company under the GEM Listing Rules.

INTRODUCTION

The Board announced that on 25 September 2011, Nantong Highway and Bridge, a non-wholly owned subsidiary of the Company, entered into the Relocation Compensation Agreement with the Nantong Project Conversion Construction Unit (who acts on behalf of the People's government of Chong Chuan District of Nantong City, Jiangsu Province, the PRC), where Nantong Highway and Bridge will receive an aggregate of RMB64,080,000 from the People's government of Chong Chuan District as Relocation Compensation for relocation of its Plants from the Land, in accordance with the terms of the Relocation Compensation Agreement.

To facilitate the development of the Nantong Acetate Phase V Infrastructural Project, the Nantong Project Conversion Construction Unit is appointed by the People's government of Chong Chuan District to coordinate and negotiate with the property owners/occupiers in the redevelopment zone for relocation and compensation matters. The Nantong Acetate Phase V Infrastructure Project is a focal development project in the Nantong City. As a result of the aforementioned project, the Land can no longer be occupied and used by Nantong Highway and Bridge.

* *For identification purposes only*

The Land is currently occupied on lease by Nantong Highway and Bridge as its offices, staff quarters, storage of machinery and as laboratories of its associated companies (collectively referred to as its “Plants”) with total land area of 21,288.5 square meters.

Below is a brief summary of the terms of the Relocation Compensation Agreement:

RELOCATION COMPENSATION AGREEMENT

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| Date: | 25 September 2011 |
| Parties: | Between the Nantong Project Conversion Construction Unit, which is appointed by the People’s government of Chong Chuan District and Nantong Highway and Bridge. |
| Amount of Relocation Compensation: | RMB64,080,000 |
| Payment Terms: | The Relocation Compensation shall be paid by the People’s government of Chong Chuan District to Nantong Highway and Bridge in the following manner: <ol style="list-style-type: none">1. A cash deposit in the sum of RMB25,000,000 within 30 days from the date of the Relocation Compensation Agreement; and2. The balance of RMB39,080,000 to be paid within 10 days after the delivery of vacant possession of the Land. |
| Delivery of Vacant Possession: | The Directors estimate that Nantong Highway and Bridge shall deliver vacant possession of the Land before the end of 2012. Vacant possession means the removal of all movable items by Nantong Highway and Bridge from the Land, leaving the brick structures to be demolished by the Nantong Project Conversion Construction Unit. |

As the terms of the Relocation Compensation Agreement were arrived after arms’ length negotiation with the Nantong Project Conversion Construction Unit, the Directors believe that the terms of the Relocation Compensation Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The Relocation Compensation will, upon receipt and after deduction of relevant relocation expenses, be entirely applied for purchase of new land to relocate and rebuild the Plants, and as the general working capital of the Group.

FINANCIAL EFFECT OF THE RELOCATION COMPENSATION

The Company and Nantong Highway and Bridge will actively look for new land around the Land to relocate and rebuild the Plants. The Directors believe that the relocation of the Plants will not lead to any material disruption to the business of the Company and its subsidiaries and will not have any material adverse effect to the financial performance of the Company and its subsidiaries. The precise amount of the Relocation Compensation to be received by the Company is subject to the deduction of the relevant expenses incidental to the relocation and as such, it cannot be ascertained at this moment. Accordingly, the net proceeds attributable to the Relocation Compensation cannot be determined as at the date of this announcement. Nevertheless, the Directors confirm that the relocation expenses and all costs incidental to it will be substantially less than the Relocation Compensation and are of the opinion that the net proceeds of the Relocation Compensation to be received shall enhance the liquidity of the Group.

IMPLICATION UNDER THE GEM LISTING RULES

As the relevant applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) for the receipt of the Relocation Compensation exceed 5% but below 25% and it is a transaction of a revenue nature outside the ordinary course of business of the Company and its subsidiaries, the receipt of the Relocation Compensation constitutes a discloseable transaction of the Company under the GEM Listing Rules.

GENERAL

The Group is principally engaged in the trading of asphalt and fuel oil, road and bridge construction and the provision of logistics services in the PRC. Specifically, Nantong Highway and Bridge's principal business is construction of highways and bridges in PRC.

The Nantong Project Conversion Construction Unit acts on behalf of the People's government of Chong Chuan District government and is involved in the development of the parcels of land retainable for the Nantong Acetate Phase V Infrastructure Project and other related activities. The Directors therefore believe that the Nantong Project Conversion Construction Unit is a third party independent of the Company and its connected persons.

DEFINITIONS

Unless the context requires otherwise, the use of capitalised terms in this announcement shall have the following meanings:

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| “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.) (Stock Code: 8251), <i>a joint stock company established in the PRC with limited liability and the H Shares of which are listed on GEM</i> |
| “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 |
| “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 |
| “Land” | The parcel of land of approximately 21,288.5 square meters in size located at 中國江蘇省南通市崇川區外環東路188號 (No. 188 Outer Ring Road East, Chong Chuan District, Nantong City, Jiangsu Province, PRC*) |
| “Nantong Highway and Bridge” | 南通路橋工程有限公司 (Nantong Highway and Bridge Engineering Limited), a limited liability company established in PRC, of which the Company holds 68.34% of its equity interest |
| “Nantong Acetate Phase V Infrastructural Project” | 南通醋纖五期基建項目 (Nantong Acetate Phase V Infrastructural Project *) |

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| “Nantong Project Conversion Construction Unit” | 南通大華置業房屋拆遷有限公司 (Nantong Dahua Estate Housing Demolition and Relocation Company Limited*) |
| “PRC” | The People’s Republic of China |
| “Relocation Compensation Agreement” | 南通市城市房屋拆遷補償安置協議 (Nantong City Housing Demolition and Relocation Compensation Settlement Agreement*) |
| “RMB” | Renminbi yuan, the lawful currency of the PRC |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Share(s)” | Domestic Shares and H Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent. |

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

Shanghai, the PRC, 26 September 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 collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 posting and on the website of the Company at <http://www.tonva.com>.