



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)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a high investment risk maybe 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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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: (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.

* For identification purposes only

HIGHLIGHTS

1. The Group's turnover for the 9 months ended 30 September 2011 was approximately RMB2,537,314,000 (9 months ended 30 September 2010: approximately RMB1,803,344,000). A growth of approximately 40.7% was recorded year-on-year.
2. Profit attributable to the owners of the Company for the 9 months ended 30 September 2011 was approximately RMB41,895,000 (9 months ended 30 September 2010: approximately RMB37,670,000). A growth of approximately 11.2% was recorded year-on-year.
3. The Board did not recommend an interim dividend for this quarter.

The board of Directors (the “Board”) of Shanghai Tonva Petrochemical Company Limited (the “Company”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (together the “Group”) for the three and nine months ended 30 September 2011 together with comparative unaudited figures for the corresponding periods in 2010.

UNAUDITED CONSOLIDATED RESULTS

	Note	For the three months ended 30 September		For the nine months ended 30 September	
		2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
Turnover	2	842,412	729,391	2,537,314	1,803,344
Cost of sales		(781,841)	(683,731)	(2,376,167)	(1,663,527)
Gross profit		60,571	45,660	161,147	139,817
Other income and gains	2	11,282	9,466	12,882	16,791
Distribution costs		(2,411)	(4,986)	(9,090)	(13,739)
Administrative expenses		(37,466)	(17,161)	(58,774)	(56,772)
Operating profit		31,976	32,979	106,165	86,097
Finance costs		(15,721)	(10,500)	(39,271)	(27,075)
Share of (loss)/profit of associates		(630)	1,102	(1,752)	(1,629)
Profit before income tax expense		15,625	23,581	65,142	57,393
Income tax expenses	3	(2,537)	(4,718)	(16,242)	(13,522)
Profit for the period		<u>13,088</u>	<u>18,863</u>	<u>48,900</u>	<u>43,871</u>
Profit attributable to:					
– Owner of the Company		13,769	12,435	41,895	37,670
– Minority interests		(681)	6,428	7,005	6,201
		<u>13,088</u>	<u>18,863</u>	<u>48,900</u>	<u>43,871</u>
Basic and diluted earnings per share for profit attributable to owner of the Company during the period (Expressed in RMB per share)	4	<u>0,015</u>	<u>0.013</u>	<u>0,045</u>	<u>0.040</u>
Dividends	5	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

MOVEMENT TO AND FROM CONSOLIDATED RESERVES – UNAUDITED

	Capital reserve <i>RMB'000</i>	Statutory common reserve fund <i>RMB'000</i>	Other reserve <i>RMB'000</i>	Currency Translation reserve <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total <i>RMB'000</i>
Balance at 1 January 2010	221,766	29,797	17,912	(5,340)	134,602	398,737
Currency translation difference	–	–	–	(710)	–	(710)
Profit for the period	–	–	–	–	37,670	37,670
Interim dividend declared and paid in respect of first quarter of 2010	–	–	–	–	(10,298)	(10,298)
Balance at 30 September 2010	<u>221,766</u>	<u>29,797</u>	<u>17,912</u>	<u>(6,050)</u>	<u>161,974</u>	<u>425,399</u>
Balance at 1 January 2011	221,766	39,928	17,912	(5,821)	180,389	454,174
Currency translation difference	–	–	–	(576)	–	(576)
Profit for the period	–	–	–	–	41,895	41,895
Dividend declared and paid in respect of 2010	–	–	–	–	(20,596)	(20,596)
Further acquisition 5.9% equity interest of a subsidiary	<u>304</u>	–	–	–	–	<u>304</u>
Balance at 30 September 2011	<u>222,070</u>	<u>39,928</u>	<u>17,912</u>	<u>(6,397)</u>	<u>201,688</u>	<u>475,201</u>

Notes:

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited quarterly financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), and accounting principles generally accepted in Hong Kong. The principal accounting policies adopted in preparing these financial statements are consistent with those followed in the Group’s annual audited consolidated financial statements for the year ended 31 December 2010.

2. TURNOVER

Turnover represents the sales of asphalt and fuel oil, income from logistic services and road and bridge constructions net of taxes, discounts, returns and allowances, where applicable and after eliminating sales with the Group.

	For the nine months ended 30 September	
	2011 RMB’000	2010 RMB’000
Turnover:		
Sales of asphalt	289,645	646,358
Sales of fuel oil	1,602,368	582,682
Logistic services	44,501	43,239
Road and bridge constructions	600,800	531,065
	<u>2,537,314</u>	<u>1,803,344</u>
Other income and gains:		
Dividend income from unlisted investments	10,000	14,000
Subsidy income	433	160
Interest income	69	42
Others	2,380	2,589
	<u>12,882</u>	<u>16,791</u>
Total revenues	<u><u>2,586,196</u></u>	<u><u>1,820,135</u></u>

3. INCOME TAX EXPENSE

	For the nine months ended 30 September	
	2011	2010
	RMB'000	RMB'000
PRC enterprise income tax	16,242	13,522
Hong Kong profit tax	—	—
	<u>16,242</u>	<u>13,522</u>

The Company and one of its subsidiaries, Shanghai Shenhua Logistics Company Limited (“Shanghai Shenhua”), are incorporated in Pudong New Area of Shanghai. Pursuant to the implementation guidance of the new CIT Law (“EIT Law”), the Company and Shenhua Logistics are subject to Enterprise Income Tax (“EIT”) 24% (for the nine months ended 30 September 2010: 22%) on their assessable profit for the nine months ended 30 September 2011. Such tax rate will gradually increase to 25% in 2012.

Besides, the Company’s subsidiaries, Jiangsu Suzhong Oil Shipping Company Limited (“Suzhong Shipping”) and Shanghai Shenhua Logistics (Dongtai) Company Limited (“Shenhua Dongtai”), are treated as small-scale companies for PRC EIT purpose. According to a circular issued by Jiangsu provincial tax bureau in December 2003, the income tax of Suzhong Shipping and Shenhua Dongtai are charged at 2.5% of their revenue.

Profits of others subsidiaries established in the PRC are subject to EIT at 25% (for the nine months ended 30 September 2010: 25%). Profits of subsidiaries established in Hong Kong are subject to Hong Kong profit tax of 16.5% (for the nine months ended 30 September 2010: 16.5%).

4. EARNINGS PER SHARE

The calculation of the earnings per share for the three months and nine months ended 30 September 2011 is based on the profit attributable to owners of the Company of RMB13,769,000 and RMB41,895,000, respectively, and the number of 936,190,000 shares (for the three months and nine months ended 30 September 2010: 936,190,000 shares).

Diluted earnings per share have not been calculated as there were no potential dilutive shares during the periods.

5. DIVIDEND

The Board did not recommend an interim dividend for the 9 months ended 30 September 2011 (for the nine months ended 30 September 2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Review

During the reporting period, the Group fully leveraged on the synergies of its four major businesses, reacted proactively and attained robust operating results amidst a complex and volatile market environment. Fuel oil business recorded substantial growth in both turnover and gross profit of approximately 175.0% and 206.9% respectively. The remarkable result of this market segment enabled the steady growth of the Group's overall performance. As to the asphalt business, the tightening policies in China during the reporting period resulted in a shortage on funds for certain asphalt users and delayed in the commencement of road construction and subsequently pushed down the demand for asphalt. Sales volume of asphalt in the reporting period decreased over the corresponding period of last year. However, gross margin of the asphalt trading business in the reporting period rose to approximately 9.2% from approximately 8.1% in the corresponding period of last year. As to the road and bridge construction business, construction commencement rate of projects secured by the Group through tender was robust and the number of project commenced increased when compared with the corresponding period of last year. As a result, gross profit of the business increased by approximately 24.3% over the corresponding period of last year, whereas gross margin was increased from approximately 13.0% in the corresponding period of last year to approximately 14.3% in the reporting period. As to logistics business during the reporting period, benefiting from the substantial increase of sales volume of fuel oil and the expansion of the asphalt storage business during the reporting period, logistics business also achieved steady growth, with gross profit increased by approximately 58.2% over the corresponding period of last year. For the nine months ended 30 September 2011, turnover of the Group was approximately RMB2,537,314,000, representing an increase of approximately 40.7% over the corresponding period of last year.

Business Operations

The Group is principally engaged in the sales of asphalt and fuel oil, road and bridge construction and the provision of logistics service in the PRC. Through domestic and overseas procurement, the Group offers one-stop services to its clients from distribution, storage to delivery of asphalt and fuel oil covering the Yangtze River region and some inland regions. Meanwhile, the Group is also active in developing logistics services by providing storage and transportation services for the asphalt and fuel oil trade, which are beneficial to the Group's domestic distribution of asphalt and fuel oil. As for the road and bridge construction business, it further expands the business scale of the Group and generates synergies for the Group, hence reduces the overall costs and expands room for the Company's business development and creates a new driver to profit contribution.

Asphalt Trading Business

For the nine months ended 30 September 2011, the Group's turnover for asphalt trading business was approximately RMB289,645,000 (for the nine months ended 30 September 2010: approximately RMB646,358,000), representing a decrease of approximately 55.2% over the corresponding period of last year. The revenue from the asphalt trading business accounted for approximately 11.4% of the Group's total turnover.

Gross margin of the asphalt trading business increased to approximately 9.2% in the reporting period from approximately 8.1% in the corresponding period of last year. For the nine months ended 30 September 2011, the Group's gross profit amounted to approximately RMB26,680,000 (for the nine months ended 30 September 2010: approximately RMB52,557,000), representing a decrease of approximately 49.2% over the corresponding period of last year.

The decrease of income and gross profit from the asphalt trading business during the reporting period was mainly attributable to a rapid surge in short-term demand for asphalt in Shanghai in the first half of last year, when the road construction projects of the Shanghai World Expo were in full swing. While in this year, with an aim to control inflation, the government implemented monetary austerity measures, which resulted in a shortage of funds for certain asphalt users, delayed the commencement of road construction projects and subsequently pushed down the demand for asphalt.

Fuel Oil Trading Business

For the nine months ended 30 September 2011, the Group's turnover for fuel oil trading business was approximately RMB1,602,368,000 (for the nine months ended 30 September 2010: approximately RMB582,682,000), representing an increase of approximately 175.0% over the corresponding period of last year. Fuel oil business contributed approximately 63.2% to the Group's total turnover in the reporting period. The sales volume of fuel oil recorded a substantial year-on-year increase of approximately 149.3%. The significant growth of fuel oil trading business was primarily attributable to the short turnover cycle, highly capital utilization rate and several new major customers secured during the first half of the year, all of which contributed largely to the sales volume of fuel oil for the Group.

For the nine months ended 30 September 2011, the Group's gross profit of the fuel oil trading business was approximately RMB40,992,000 (for the nine months ended 30 September 2010: approximately RMB13,355,000), representing an increase of approximately 206.9% over the corresponding period of last year; whereas gross margin remained at approximately 2.6%, on par with the corresponding period of last year.

Logistics Business

For the nine months ended 30 September 2011, the Group's turnover for logistics business was approximately RMB44,501,000 (for the nine months ended 30 September 2010: approximately RMB43,239,000), representing an increase of approximately 2.9% over the corresponding period of last year. Logistics business accounted for approximately 1.8% of the Group's total turnover.

Gross margin for the logistics business increased from 11.1% in the corresponding period of last year to 17.1% in the reporting period. For the nine months ended 30 September 2011, gross profit of the logistics business of the Group was approximately RMB7,619,000, representing an increase of approximately 58.2% over the corresponding period of last year.

Road and Bridge Construction Business

For the nine months ended 30 September 2011, the Group's turnover for road and bridge construction business was approximately RMB600,800,000 (for the nine months ended 30 September 2010: approximately RMB531,065,000), representing an increase of approximately 13.1% over the corresponding period of last year. Revenue from road and bridge construction business accounted for approximately 23.7% of the Group's total turnover.

For the nine months ended 30 September 2011, gross profit of the Group's road and bridge construction business was approximately RMB85,856,000 (for the nine months ended 30 September 2010: approximately RMB69,090,000), representing an increase of approximately 24.3% over the corresponding period of last year; whereas gross margin increased from approximately 13.0% in the corresponding period of last year to approximately 14.3% in the reporting period.

Despite the monetary austerity measures by the PRC government to contain inflation, the road and bridge construction business of the Group remained unaffected. Related construction projects were progressing smoothly and the amount receivables for construction were duly collected.

Other income and gains

For the nine months ended 30 September 2011, the Group's other income and gains were approximately RMB12,882,000 (for the nine months ended 30 September 2010: approximately RMB16,791,000), representing a decrease of approximately 23.3% over the corresponding period of last year. The decrease in other income and gains was mainly due to the drop in dividend income from unlisted investment from approximately RMB14,000,000 in the corresponding period of last year to approximately RMB10,000,000 in the reporting period.

Distribution costs

The Group's distribution costs for the nine months ended 30 September 2011 were approximately RMB9,090,000 (for the nine months ended 30 September 2010: approximately RMB13,739,000), representing a decrease of approximately 33.8% over the corresponding period of last year. The decrease was mainly due to the drop in distribution cost of asphalt of the Group during the reporting period.

Administrative expenses

The Group's administration expenses for the nine months ended 30 September 2011 were approximately RMB58,774,000 (for the nine months ended 30 September 2010: approximately RMB56,772,000), representing a slight increase of approximately 3.5% over the corresponding period of last year.

Profit Attributable to Shareholders

Profit attributable to owners of the Group for the nine months ended 30 September 2011 was approximately RMB41,895,000 (for the nine months ended 30 September 2010: approximately RMB37,670,000), representing a growth of approximately 11.2% over the corresponding period of last year. The basic and diluted earnings per share for profit attributable to owners of the Company during the reporting period was RMB0.045 (for the nine months ended 30 September 2010: approximately RMB0.040), representing an increase of approximately 12.5% over the corresponding period of last year.

PROSPECTS

In spite of decreased asphalt sales volume during the reporting period, the Group believes that the amount of road constructions will recover to normal and the sales volume of asphalt will grow as a result, with proper adjustments to the credit policies and the effect of the Shanghai Disneyland project.

As to fuel oil trading, the Group will actively explore Shanghai and the surrounding markets as well as expanding our portfolio of key customers, to maintain the growing momentum for the operating results in the fourth quarter.

As to the road and bridge construction business, constructions with contract amount of approximately RMB600 million as of the end of the reporting period were still underway. The Group shall keep an eye on quality projects, actively participate in the tendering of such projects and unleash the development potential of the Group's road and bridge construction business.

The Group will continue to leverage on the synergies of logistics business, asphalt trading and fuel oil trading businesses to generate stable revenue to the Group in the long run.

Adhering to our long-standing principles, the Group shall react promptly to the changes in market demand, timely alter the way businesses are conducted in different business segments, and maximize the synergies between the four major businesses. The Group hopes to achieve better operating results in the future for our investors and shareholders.

DISCLOSURE OF INTERESTS OF DIRECTORS, CHIEF EXECUTIVES AND SUPERVISORS

At 30 September 2011, the interests of long or short position of the Directors, chief executives and supervisors of the Company (the "Supervisors") in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) was required, (a) to notify to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part V of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register

required to be kept therein, pursuant to section 352 of the SFO; or (c) to notify to the Company and the Stock Exchange pursuant to the minimum standards of dealing by Directors referred to in Rule 5.46 of the GEM Listing Rules are as follows:

Long position in the shares of the Company:

Name of Directors	Capacity	Number of shares		Total long position	Approximate percentage of shareholding in such class of shares of the Company	Approximate percentage of shareholding in the registered share capital of the Company
		Personal interest	Family interest			
Qian Wenhua <i>(Executive Director)</i>	Beneficial owner	225,706,000 (domestic shares)	35,854,000 <i>(Note 1)</i> (domestic Shares)	261,560,000	54.49	27.94
Lu Yong <i>(Executive Director)</i>	Beneficial owner	62,618,000 (domestic shares)	–	62,618,000	13.05	6.69
Li Hongyuan <i>(Executive Director)</i>	Beneficial owner	50,254,000 (domestic shares)	–	50,254,000	10.47	5.37
Zhang Jinhua <i>(Executive Director)</i>	Beneficial owner	15,152,000 (domestic shares)	–	15,152,000	3.16	1.62

Note 1: The 35,854,000 shares are held by Liu Huiping, the wife of Qian Wenhua, and such shares are deemed to be family interests held by Qian Wenhua.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 September 2011, the persons or company (not being a Director, Supervisor or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which are required to be notified to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept under section 338 of the SFO and who were directly and/or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company are listed as follows:

Name of Person	Capacity	Number of shares		Total long position	Total short position	Approximate	Approximate
		Personal interest	Family interest			percentage of shareholding in such class of shares of the Company	percentage of shareholding in the registered share capital of the Company
Liu Huiping (Note 1)	Beneficial owner	35,854,000 (domestic shares)	225,706,000 (Note 1) (domestic Shares)	261,560,000	–	54.49	27.94
Yao Peie	Beneficial owner	34,546,000 (domestic shares)	–	34,546,000	–	7.20	3.69
Simosa Oil Co., Ltd (中塑油品股份有限公司)	Beneficial owner	38,498,460 (H Shares)	–	38,498,460	–	8.44	4.11
Credit Agricole Securities Asia B.V. (formerly known as Calyon Capital Markets Asia B.V.)	Interest in a controlled corporation	175,000,000 (H shares)	–	175,000,000 (Note 2)	–	38.36	18.69
Calyon Capital Markets International SA	Interest in a controlled corporation	175,000,000 (H shares)	–	175,000,000 (Note 2)	–	38.36	18.69
Credit Agricole Corporate and Investment Bank (formerly known as Calyon S.A.)	Interest in a controlled corporation	175,000,000 (H shares)	–	175,000,000 (Note 2)	–	38.36	18.69
CLSA B.V.	Interest in a controlled corporation	175,000,000 (H shares)	–	175,000,000 (Note 2)	–	38.36	18.69

Name of Person	Capacity	Number of shares		Total long position	Total short position	Approximate percentage of shareholding in such class of shares of the Company	Approximate percentage of shareholding in the registered share capital of the Company
		Personal interest	Family interest				
CLSA Capital Partners Limited (formerly known as CLSA Funds Limited)	Interest in a controlled corporation	175,000,000 (H shares)	–	175,000,000 (Note 2)	–	38.36	18.69
CLSA Private Equity Management Limited	Investment manager	175,000,000 (H shares)	–	175,000,000 (Note 2)	–	38.36	18.69
Credit Agricole S.A.	Interest in a controlled corporation	175,000,000 (H shares)	–	175,000,000 (Note 2)	–	38.36	18.69
SAS Rue la Boetie	Interest in a controlled corporation	175,000,000 (H shares)	–	175,000,000 (Note 2)	–	38.36	18.69
Aria Investment Partners III, L.P. (“Aria III”)	Interest in a controlled corporation	140,000,000 (H shares)	–	140,000,000 (Note 2)	–	30.69	14.95
Babylon Limited	Beneficial owner	140,000,000 (H shares)	–	140,000,000 (Note 2)	–	30.69	14.95
Aria Investment Partners II, L.P. (“Aria II”)	Interest in a controlled corporation	35,000,000 (H shares)	–	35,000,000 (Note 2)	–	7.67	3.74
Mumiya Limited	Beneficial owner	35,000,000 (H shares)	–	35,000,000 (Note 2)	–	7.67	3.74

Note 1: Liu Huiping is the wife of Qian Wenhua.

Note 2: Mumiya Limited and Babylon Limited hold 35,000,000 and 140,000,000 H shares of the Company respectively. As Aria II controls more than one-third of the voting power at general meetings of Mumiya Limited, Aria II is deemed to be interested in 35,000,000 H shares held by Mumiya Limited pursuant to the SFO. Aria III controls more than one-third of the voting power at general meetings of Babylon Limited and is thus deemed to be interested in 140,000,000 H shares held by Babylon

Limited pursuant to the SFO. As CLSA Private Equity Management Ltd. is the investment manager of Aria II and Aria III, it is deemed to be interested in the 175,000,000 H shares in aggregate pursuant to the SFO. SAS Rue la Boetie controls more than one-third of the voting power at the general meetings of Credit Agricole S.A., which in turn controls more than one-third of the voting power at general meetings of Credit Agricole Corporate and Investment Bank (formerly known as Calyon S.A.), which in turn controls more than one-third of the voting power at general meetings of Calyon Capital Markets International SA, which in turn controls more than one-third of the voting power at general meetings of Credit Agricole Securities Asia B.V. (formerly known as Calyon Capital Markets Asia B.V.), which in turn controls more than one-third of the voting power at general meetings of CLSA B.V., which in turn controls more than one-third of the voting power at general meetings of CLSA Capital Partners Limited, which in turn controls more than one-third of the voting power at general meetings of CLSA Private Equity Management Ltd. Therefore, Credit Agricole S.A., Calyon S.A., Calyon Capital Markets International SA, Calyon Capital Markets Asia B.V., CLSA B.V. and CLSA Capital Partners Limited are deemed to be interested in the 175,000,000 H shares in aggregate pursuant to the SFO.

Directors' and Supervisors' right to acquire shares or debentures

None of the Directors and Supervisors or their respective associates was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right during the period ended 30 September 2011.

AUDIT COMMITTEE

In compliance with Rules 5.28 to 5.29 of the GEM Listing Rules, the Company established an audit committee with written terms of reference. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. The audit committee comprises three independent non-executive Directors, Mr. Li Li, Ms. Ye Mingzhu and Mr. Zhu Shengfu and one non-executive Director, Mr. Chan Cheuk Wing Andy. Mr. Li Li is the chairman of the audit committee.

The audit committee has reviewed the Group's unaudited consolidated financial statements for the nine months ended 30 September 2011, and was of an opinion that the preparation of such results complied with the applicable accounting and reporting standards and that adequate disclosures have been made.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the nine months ended 30 September 2011, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

None of the Directors or the management shareholders and their respective associates (as defined under the GEM Listing Rules) had an interest in a business which competes with the Company or may compete with the business of the Group.

By Order of the Board

Qian Wenhua

Chairman

Shanghai, the PRC, 9 November 2011

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

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>.