

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

Terms of Reference of the Remuneration Committee

I. Composition of the Remuneration Committee (the “Committee”)

Mr. Li Li (<i>Chairman of the Committee</i>)	Independent Non-executive Director
Ms. Ye Mingzhu	Independent Non-executive Director
Mr. Zhu Shengfu	Independent Non-executive Director
Mr. Shao Dan	

II. Constitution of the Committee

- 2.1 The independent non-executive directors shall constitute the majority of the Committee;
- 2.2 The Chairman of the Committee shall be appointed by the Board of Directors of the Company and shall be an independent non-executive director;
- 2.3 The Board may from time to time appoint additional members to the Committee from among the non-executive directors, subject to the condition that the independent non-executive directors shall constitute the majority of the Committee and be the Committee Chairman.

III. Meetings and Quorum

- 3.1 The Committee shall meet with such frequency as it may consider appropriate, but in any event at least once a year;
- 3.2 The quorum for meetings shall be two Committee members, one of whom shall be the Committee Chairman, unless he/she is unable to attend due to exceptional circumstances.

IV. Role and Authority of the Committee

- 4.1 The Committee shall consult the Chairman of the Board and/or Chief Executive Officer about their remuneration proposals for other executive directors and senior management;
- 4.2 The Committee shall have access to independent professional advice if necessary and be provided with sufficient resources to perform its duties;
- 4.3 The Committee is dedicated to making recommendations to the board of directors on the remuneration packages of individual executive directors and senior management, which shall include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment; levels of which shall be sufficient to attract and retain directors to run the Company successfully without paying more than necessary. As in the case of determining the directors' respective remuneration packages, reference is to be made to the time required from each director to perform his/her duties to the Company as defined in their respective Service Agreements or Appointment Letters if the board of directors considers necessary.

* *For identification purposes only*

V. Functions of the Committee

- 5.1 To make recommendations to the board of directors on the Company's remuneration policy and structure for all directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;
- 5.2 To review and approve the management's remuneration proposals with reference to the board of directors' corporate goals and objectives;
- 5.3 To make recommendations to the Board on the remuneration of non-executive directors;
- 5.4 To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- 5.5 To review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and otherwise fair and not excessive;
- 5.6 To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and otherwise reasonable and appropriate;
- 5.7 To ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
- 5.8 To ensure that the executive directors' remuneration shall be linked to corporate and individual performance in substance;
- 5.9 To review and approve the disclosure of details regarding the remuneration payable to members of senior management by banding in the annual reports;
- 5.10 To conduct a regular evaluation of the board of directors on its performance as it may consider appropriate; and
- 5.11 To review the general insurance cover in respect of legal action against the individual members of the board of directors, and make appropriate arrangements accordingly.

Shanghai, 27 March 2012

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, Zhu Shengfu and Ye Mingzhu.

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 of Shanghai Tonva Petrochemical Co., Ltd., 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>.