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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 incorporated in the People's Republic of China with limited liability)

(Stock code: 1103)

INSIDE INFORMATION

PROPOSED RIGHTS ISSUE OF DOMESTIC SHARES AND H SHARES

The Board announces that the Board proposes to seek the approval of the Shareholders for the Rights Issue, which will comprise the issue of both the Domestic Rights Shares and the H Rights Shares, in order to strengthen the financial position of the Group to support the continuing developments and growth of business. The Rights Issue allows all Qualifying Shareholders to participate in the potential growth of the Company while maintaining their respective *pro rata* shareholding interests in the Company.

The Rights Issue will be conducted after the completion of the Bonus Issue, and on the basis of up to 4.5 Rights Shares for every 10 existing Shares, subject to determination by the Board. The Subscription Price is to be determined based on market price having regard to the trading price(s) of the H Shares on the secondary market before the publication of the Rights Issue announcement. The final Subscription Price shall be determined by the Board (or its authorised delegates) pursuant to the authorisation of the shareholders' meeting in consultation with the underwriter(s) (if applicable) on the Price Determination Date and subject to unanimous approval by the Board. The Subscription Price for the Domestic Rights Shares and the H Rights Shares (after adjustment in the exchange rates) shall be the same. The closing price of the H Shares as at the date of this announcement was HK\$0.72.

* *For identification purposes only*

As at the Latest Practicable Date and before the completion of the Bonus Issue, the issued share capital of the Company is RMB93,619,000 which comprised of 480,000,000 Domestic Shares and 456,190,000 H Shares. Immediately after the completion of the Bonus Issue, the issued share capital of the Company will be increased to RMB140,428,500 which comprised of 720,000,000 Domestic Shares and 684,285,000 H Shares. On this basis, the Company expects to allot and issue provisionally, on the assumption of 4.5 Rights Shares for every 10 existing Shares, additional 631,928,250 Rights Shares (comprising 324,000,000 Domestic Rights Shares and 307,928,250 H Rights Shares).

It is expected that the gross proceeds of the Rights Issue will be within the range of approximately HK\$455.0 million (approximately RMB360.4 million) to HK\$537.1 million (approximately RMB425.5 million). The final amount of gross proceeds shall be determined based on the actual Subscription Price and the number of Rights Shares to be issued at the time of the Rights Issue.

The Rights Issue will be subject to, among other things, the approval of the Shareholders at the EGM, the approval of the Domestic Shareholders at Domestic Shareholders Class Meeting, the approval of the H Shareholders at the H Shareholders Class Meeting, and the approval of the CSRC for the Rights Issue. A circular containing the notices convening the EGM, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting will be delivered to the Shareholders as soon as practicable in accordance with the Articles.

The Company's intention is to proceed with the H Share Rights Issue on a fully underwritten basis in accordance with Rule 7.19(1) of the Listing Rules in order to maintain the minimum public float requirement as set out under Rule 8.08(1) of the Listing Rules.

Prior to the commencement of the H Share Rights Issue, the Company will make a further announcement and issue the H Share Rights Prospectus which will contain all the relevant details of the Rights Issue, including the definitive basis on which the Rights Shares are to be offered, the maximum number of Rights Shares to be issued, the Subscription Price, the period of closure of the register of members and the Record Date, trading arrangements of the H Rights Shares, the arrangements for excess H Rights Shares, the arrangements for fractional entitlements, the underwriting arrangement and the expected timetable of the Rights Issue.

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the provisions of inside information under Part XIVA of the SFO.

The H Share Rights Issue is conditional upon the fulfilment of the conditions set out under the sections headed "Conditions of the Rights Issue" and "Conditions of the H Share Rights Issue" in this announcement. If any of the conditions is not fulfilled, the H Share Rights Issue will not proceed. Investors are advised to exercise caution when dealing in the H Shares.

INTRODUCTION

The Board announces that the Board proposes to seek the approval of the Shareholders for the Rights Issue, which will comprise the issue of both the Domestic Rights Shares and the H Rights Shares, in order to strengthen the financial position of the Group to support the continuing developments and growth of business. The Rights Issue allows all Qualifying Shareholders to participate in the potential growth of the Company while maintaining their respective *pro rata* shareholding interests in the Company.

PROPOSED RIGHTS ISSUE

The Rights Issue will comprise an offer of Domestic Rights Shares and an offer of H Rights Shares to Qualifying Domestic Shareholders and Qualifying H Shareholders, respectively, on the preliminary terms set out below.

The Rights Issue will be conducted after the completion of the Bonus Issue. On 26 March 2014, the Board proposed a bonus issue of Shares to all the then Shareholders of the Company on the basis of 5 Bonus Shares for every 10 existing Shares held by the Shareholders on the register of members of the Company on the Bonus Issue Record Date. The Bonus Shares will be issued and credited as fully-paid by way of capitalisation of part of the Company's capital reserve fund. The Bonus Issue was approved at the annual general meeting of the Company, the class meeting for holders of H Shares and the class meeting for holders of Domestic Shares, respectively, on 25 June 2014. Please refer to the circular of the Company dated 9 May 2014 and the poll results announcement of the Company dated 25 June 2014 for details.

As at the Latest Practicable Date and before the completion of the Bonus Issue, the issued share capital of the Company is RMB93,619,000 which comprised of 480,000,000 Domestic Shares and 456,190,000 H Shares. Immediately after the completion of the Bonus Issue, the issued share capital of the Company will be increased to RMB140,428,500 which comprised of 720,000,000 Domestic Shares and 684,285,000 H Shares.

It is expected that the gross proceeds of the Rights Issue will be within the range of approximately HK\$455.0 million (approximately RMB360.4 million) to HK\$537.1 million (approximately RMB425.5 million). The final amount of gross proceeds shall be determined based on the actual Subscription Price and the number of Rights Shares to be issued at the time of the Rights Issue. All the proceeds raised from the Rights Issue, after deduction of all relevant expenses, shall be mainly used for the following purposes:—

- (1) continuous expansion of trading business to further diversify its product mix within the petrochemical value chain (e.g. chemical fertilizer) to broaden the Group's revenue base;
- (2) repayment of existing indebtedness of the Group; and
- (3) general working capital.

H Share Rights Issue

Type and Par Value of the Rights Shares:	H shares with a par value of RMB0.10 per share
Basis of the H Share Rights Issue:	Subject to final determination by the Board (or its authorised delegates) prior to the Rights Issue which is pursuant to the authorisation by the Shareholders at the EGM, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting. Up to 4.5 H Rights Shares for every 10 existing H Shares held on the H Share Record Date by the Qualifying H Shareholders
Expected number of Shares in issue as at the H Share Record Date:	1,404,285,000 (assuming the Bonus Issue is completed)
Expected number of H Shares in issue as at the H Share Record Date:	684,285,000 (assuming the Bonus Issue is completed)
Number of H Rights Shares proposed to be issued under the H Share Rights Issue:	Up to 307,928,250 (assuming the Bonus Issue is completed)
Subscription Price for the H Rights Shares:	The Subscription Price is to be determined based on market price having regard to the trading price(s) of the H Shares on the secondary market before the publication of the Rights Issue announcement. The final Subscription Price shall be determined by the Board (or its authorised delegates) pursuant to the authorisation of the shareholders' meeting in consultation with the underwriter(s) (if applicable) on the Price Determination Date and subject to unanimous approval by the Board. The Subscription Price for the Domestic Rights Shares and the H Rights Shares (after adjustment in the exchange rates) shall be the same. The closing price of the H Shares as at the date of this announcement was HK\$0.72.
Target Subscribers for the H Share Rights Issue	All Qualified H Shareholders as determined on the H Share Record Date

The Company's intention is to proceed with the H Share Rights Issue on a fully underwritten basis in accordance with Rule 7.19(1) of the Listing Rules in order to maintain the minimum public float requirement set out under Rule 8.08(1) of the Listing Rules.

Domestic Share Rights Issue

Type and Par Value of the Rights Shares:	Domestic shares with a par value of RMB0.10 per share
Basis of the Domestic Share Rights Issue:	<p>Subject to final determination by the Board (or its authorised delegates) prior to the Rights Issue which is pursuant to the authorisation by the Shareholders at the EGM, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting.</p> <p>Up to 4.5 Domestic Rights Shares for every 10 existing Domestic Shares held on the relevant Domestic Share Record Date by the Qualifying Domestic Shareholder</p>
Expected number of Shares in issue as at the Domestic Share Record Date:	1,404,285,000 (assuming the Bonus Issue is completed)
Expected number of Domestic Shares in issue as at the Domestic Share Record Date:	720,000,000 (assuming the Bonus Issue is completed)
Number of Domestic Rights Shares proposed to be issued under the Domestic Share Rights Issue:	Up to 324,000,000 (assuming the Bonus Issue is completed)
Subscription Price for the Domestic Rights Shares:	<p>The Subscription Price is to be determined based on market price having regard to the trading price(s) of the H Shares on the secondary market before the publication of the Rights Issue announcement. The final Subscription Price shall be determined by the Board (or its authorised delegates) pursuant to the authorisation of the shareholders' meeting in consultation with the underwriter(s) (if applicable) on the Price Determination Date and subject to unanimous approval by the Board. The Subscription Price for the Domestic Rights Shares and the H Rights Shares (after adjustment in the exchange rates) shall be the same. The closing price of the H Shares as at the date of this announcement was HK\$0.72.</p>
Target Subscribers for the Domestic Rights Issue	All Qualified Domestic Shareholders as determined on the Domestic Share Record Date

FURTHER DETAILS OF THE H SHARE RIGHTS ISSUE

Qualifying H Shareholders

The Company will send the H Share Rights Prospectus to the Qualifying H Shareholders (and to the Excluded Shareholders for information purposes only). To qualify for the H Share Rights Issue, a Shareholder must:

- (i) have been registered as a H Shareholder as at the H Share Record Date; and
- (ii) not be an Excluded Shareholder.

The Company will announce before the commencement of the H Share Rights Issue, the date by which the H Shareholders must lodge any transfers of existing H Shares (together with the relevant H Share certificates) with the Company's H Share registrar, in order for the transferee to be registered as a H Shareholder on or before the H Share Record Date.

H Share Record Date

The H Share Record Date and the trading arrangements for the nil-paid H Rights Shares will be fixed by the Board later and once so fixed, a further announcement will be made by the Company. The H Share Rights Issue will proceed only after the Rights Issue has been approved by the Shareholders at the EGM, the Domestic Shareholders at the Domestic Shareholders Class Meeting and the H Shareholders at the H Shareholders Class Meeting, and all other conditions to the Rights Issue have been fulfilled. The H Share Record Date will not precede the date of the EGM, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting or the date on which all relevant PRC governmental and regulatory approvals have been granted to the Company in relation to the Rights Issue.

Trading of the H Rights Shares

Dealings in the H Rights Shares in both their nil-paid and fully-paid forms registered with the Company's H Share registrar will be subject to the payment of stamp duty in Hong Kong. A further announcement will be made by the Company regarding the trading arrangements for the H Rights Shares (in both nil-paid and fully-paid forms) after such arrangements have been finalised by the Board.

Status of the H Rights Shares

The H Rights Shares (when allotted, issued and fully-paid) will rank *pari passu* in all respects with the then existing H Shares in issue. Holders of fully-paid H Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the H Rights Shares in their fully-paid form.

Rights of Overseas Shareholders

The H Share Rights Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will make enquiries regarding the feasibility of extending the H Share Rights Issue to the Overseas Shareholders. If, based on advice received from the relevant legal advisers, the Board considers that it would be necessary or expedient not to offer the H Rights Shares to certain Overseas Shareholders (that is, those Overseas Shareholders who are the Excluded Shareholders) on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place, the H Share Rights Issue will not be made available to the Excluded Shareholders.

The Company will, to the extent permitted by relevant laws, send copies of the H Share Rights Prospectus to the Excluded Shareholders for their information only, but the Company will not send any provisional allotment letters or excess application forms to the Excluded Shareholders.

The Company will make arrangements for the H Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form after dealings in the nil-paid H Rights Shares commence on the Stock Exchange but before the Latest Time for Acceptance, if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses, will be paid by the Company to the relevant Excluded Shareholder(s) *pro rata* to their shareholdings in the Company on the H Share Record Date in Hong Kong dollars. The Company will retain individual amounts of less than HK\$100 for the benefit of the Company. Any unsold entitlements of Excluded Shareholder(s), as referred to above in this announcement, will be made available for excess applications by Qualifying H Shareholders under the excess application forms to be issued to the Qualifying H Shareholders.

Application for Excess H Rights Shares

Qualifying H Shareholders may apply, by way of excess application, for any unsold entitlements of the Excluded Shareholders and for any H Rights Shares provisionally allotted to the Qualifying H Shareholders but not accepted.

Application for excess H Rights Shares may be made by completing the excess application form to be despatched to the Qualifying H Shareholders together with the H Share Rights Prospectus and lodging the same with a separate remittance for such excess H Rights Shares.

Any excess H Rights Shares will, at the sole discretion of the Board, be allocated and allotted on a fair and reasonable basis and as far as practicable on a *pro rata* basis with reference to the number of excess H Rights Shares applied for under such application. No preference will be given to topping up odd lots to whole board lots.

Conditions of the Rights Issue

The Domestic Share Rights Issue and the H Share Rights Issue are inter-conditional. In the event that the conditions of the Domestic Share Rights Issue are not fulfilled, the H Share Rights Issue will not proceed, and *vice versa*.

Conditions of the H Share Rights Issue

It is expected that the H Share Rights Issue will be conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue by the Shareholders at the EGM;
- (ii) the approval of the Rights Issue at the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting, respectively;
- (iii) the approval of the CSRC for the Rights Issue;
- (iv) the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the H Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the date of posting of the H Share Rights Prospectus; and
- (v) the delivery to the Stock Exchange and filing and registration of all documents in relation to the H Share Rights Issue as required by law to be filed by and registered with the Registrar of Companies in Hong Kong.

None of the above conditions for the completion of the H Share Rights Issue may be waived by the Company or has been satisfied as at the Latest Practicable Date. If the conditions are not fulfilled, the H Share Rights Issue will not proceed.

FURTHER DETAILS OF THE DOMESTIC SHARE RIGHTS ISSUE

Qualified Domestic Shareholders

To qualify for the Domestic Share Rights Issue, a Shareholder must be registered as a Domestic Shareholder of the Company on the Domestic Share Record Date.

Domestic Share Record Date

The Domestic Share Record Date will be determined by the Board at a later time and once so fixed, a further announcement will be made by the Company. The Domestic Share Rights Issue will proceed only after the Rights Issue has been approved by the Shareholders at the EGM, the Domestic Shareholders at the Domestic Shareholders Class Meeting and the H Shareholders at the H Shareholders Class Meeting and all other conditions to the Domestic Rights Issue have been fulfilled. The Domestic Share Record Date will not precede the date of the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting or the date on which all relevant PRC governmental and regulatory approvals have been granted to the Company in relation to the proposed Rights Issue.

Application for the Excess Domestic Rights Shares

Qualified Domestic Shareholders may apply for any Domestic Rights Shares provisionally allotted to the Qualified Domestic Shareholders but not accepted. The Board or any other person authorised by the Board will allocate the excess Domestic Rights Shares on a *pro rata* basis with reference to the number of excess Domestic Rights Shares being applied for if such applications exceed the total number of the Domestic Rights Shares proposed to be issued but not accepted.

Status of the Domestic Rights Shares

The Domestic Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Domestic Shares then in issue. Holders of fully-paid Domestic Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Domestic Rights Shares. The Domestic Shares are not, and the Domestic Rights Shares will not be, listed on any stock exchanges unless the Domestic Shares and the Domestic Rights Shares are approved by the authorised securities approval authorities of the PRC State Council for listing.

Conditions of the Domestic Share Rights Issue

It is expected that the Domestic Share Rights Issue will be conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue by the Shareholders at the EGM;
- (ii) the approval of the Rights Issue at the Domestic Shareholders Class Meeting and H Shareholders Class Meeting, respectively; and
- (iii) the approval of the CSRC for the Rights Issue.

None of the above conditions for the completion of the Domestic Share Rights Issue may be waived by the Company or has been satisfied as at the Latest Practicable Date. If the conditions are not fulfilled, the Domestic Share Rights Issue will not proceed.

Shareholders approvals for the Rights Issue

Under the applicable PRC laws and regulations and the Articles, the following Shareholders' approvals are required for the Rights Issue:

- (i) approval of the Rights Issue (both the Domestic Share Rights Issue and the H Share Rights Issue) by special resolution passed at the EGM by at least two-thirds of the Shares with voting rights represented by the Shareholders (or their proxies) attending the EGM;
- (ii) approval of the Rights Issue (both the Domestic Share Rights Issue and the H Share Rights Issue) by special resolution passed at the Domestic Shareholders Class Meeting by at least two-thirds of the Domestic Shares with voting rights represented by the Domestic Shareholders (or their proxies) attending the Domestic Shareholders Class Meeting; and
- (iii) approval of the Rights Issue (both the Domestic Share Rights Issue and the H Share Rights Issue) by special resolution passed at the H Shareholders Class Meeting by at least two-thirds of the H Shares with voting rights represented by the H Shareholders (or their proxies) attending the H Shareholders Class Meeting.

Appropriate resolutions will be proposed at the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting, respectively, to obtain such approvals.

Registered Capital and Amendments to the Articles

As a result of the completion of the Rights Issue, the registered capital of the Company will be increased and certain amendments will be made to the Articles in relation to such increase in the registered capital of the Company. The Company will duly comply with the relevant PRC laws and regulations and the requirements as set out under the Listing Rules in respect of such amendments to the Articles. Details on such amendments will be provided to the Shareholders in a further announcement to be issued by the Company in due course.

Underwriting

The Company's intention is to proceed with the H Share Rights Issue on a fully underwritten basis in accordance with Rule 7.19(1) of the Listing Rules and such underwriting will be conducted in accordance with the requirements of the Listing Rules to ensure that the Company is able to comply with the minimum public float requirement set out under Rule 8.08(1) of the Listing Rules. Details on the underwriting arrangement in relation to the Rights Issue will be provided to the Shareholders in a further announcement on the Rights Issue to be issued by the Company in due course.

Under PRC laws, there is no requirement that the Domestic Share Rights Issue be fully underwritten. Qualifying Domestic Shareholders may apply for any Domestic Rights Shares provisionally allotted to the Qualifying Domestic Shareholders but not accepted.

Further Announcement and Issuance of H Share Rights Prospectus in relation to the Rights Issue

Prior to the commencement of the H Share Rights Issue, the Company will make a further announcement and issue the H Share Rights Prospectus which will contain all the relevant details of the Rights Issue, including the definitive basis on which the Rights Shares are to be offered, the maximum number of Rights Shares to be issued, the Subscription Price, the period of closure of the register of members and the Record Date, trading arrangements of the H Rights Shares, the arrangements for excess H Rights Shares, the arrangements for fractional entitlements, the underwriting arrangement and the expected timetable of the Rights Issue.

Reasons for the Rights Issue and Use of Proceeds

The purpose of the Rights Issue is to strengthen the financial position of the Group to support the continuing developments and growth of business. All the proceeds raised from the Rights Issue, after deduction of all relevant expenses, shall be mainly used for the following purposes:—

- (1) continuous expansion of trading business to further diversify product mix within the petrochemical value chain (e.g. chemical fertilizer) to broaden the Group's revenue base;
- (2) repayment of existing indebtedness of the Group; and
- (3) general working capital.

Taking into account the development plan of the Group, current financial position of the Group, and having considered other financing options, the Rights Issue allows all Qualifying Shareholders to participate in the potential growth of the Company while maintaining their respective pro rata shareholding interests in the Company. As such, the Directors consider that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out (i) the shareholding structure of the Company as at the Latest Practicable Date and immediately before the completion of the Bonus Issue; (ii) the shareholding structure of the Company immediately after the completion of the Bonus Issue; and (iii) the proposed shareholding structure of the Company upon the completion of the Rights Issue (assuming the Rights Issue is conducted on the basis of 4.5 Rights Shares for every 10 existing Shares with full subscription for the Domestic Rights Shares and the H Rights Shares and no change in the issued share capital of the Company for the period immediately after the completion of the Bonus Issue to the Domestic Share Record Date and H Share Record Date):

Share class	Total number of issued Shares as at the Latest Practicable Date and immediately before the Bonus Issue	Percentage of the total number of issued Shares	Total number of issued Shares immediately after the completion of the Bonus Issue but before the Rights Issue		Number of Shares to be issued under the Rights Issue <i>(Note 1)</i>	Total number of issued Shares immediately after the Rights Issue <i>(Note 1)</i>	Percentage of the total number of issued Shares immediately after the Rights Issue <i>(Note 1)</i>
			of the total number of issued Shares	Percentage of the total number of issued Shares			
H Shares	456,190,000	48.73	684,285,000	48.73	307,928,250	992,213,250	48.73
Domestic Shares <i>(Note 2)</i>	480,000,000	51.27	720,000,000	51.27	324,000,000	1,044,000,000	51.27
Total	936,190,000	100.00	1,404,285,000	100.00	631,928,250	2,036,213,250	100.00

Notes:

- (1) Based on the number of the Shares to be issued under the Rights Issue assuming on the basis of 4.5 Rights Shares for every 10 existing Shares in issue.
- (2) Immediately after the completion of the Bonus Issue and assuming the change of Domestic Shareholders is completed,
 - (i) Mr. Lan Huasheng (an executive Director) and Mr. Lu Tingfu (a supervisor of the Company), holds (via Shenzhen Dasheng Agricultural Group Co. Ltd. (“Shenzhen Dasheng”)) 419,314,495 Domestic Shares, representing approximately 29.86% of the issued share capital of the Company.
 - (ii) Mr. Wang Liguang (an executive Director) holds (via Zhenjiang Runde Equity Investment Fund Ltd. (“Zhenjiang Runde”)) 300,685,505 Domestic Shares, representing approximately 21.41% of the issued share capital of the Company.

Immediately after the Rights Issue (assuming the following Shareholders subscribe in full of their respective entitlements under the Rights Issue) and assuming the change of Domestic Shareholders is completed,

- (i) Mr. Lan Huasheng and Mr. Lu Tingfu, each of them being a substantial shareholder of the Company, will together hold (via Shenzhen Dasheng) 608,006,018 Domestic Shares, representing approximately 29.86% of the issued share capital of the Company.
- (ii) Mr. Wang Ligu, a substantial shareholder of the Company, will hold (via Zhenjiang Runde) 435,993,982 Domestic Shares, representing approximately 21.41% of the issued share capital of the Company.

Mr. Lan Huasheng, Mr. Lu Tingfu and Mr. Wang Ligu are not regarded as a public shareholder of the Company. Save as disclosed above, all Shareholders are regarded as public shareholders of the Company.

Please refer to the announcements of the Company dated 24 April 2014 and 25 April 2014 regarding the change of Domestic Shareholders for details.

As at the Latest Practicable Date, the Company has no outstanding options, convertible securities or warrants which confer the right to subscribe for the new Shares.

GENERAL

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the provisions of inside information under Part XIVA of the SFO.

Shareholders' Approvals

It is proposed that the EGM, the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting will be convened to propose resolutions to vote by poll, among other things, to approve the Rights Issue (comprising both the Domestic Share Rights Issue and the H Share Rights Issue).

Circular

A circular containing, among other things, the notices convening the EGM, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting will be despatched to the H Shareholders as soon as practicable in accordance with the Articles.

The H Share Rights Issue is conditional upon the fulfilment of the conditions set out under the sections headed “Conditions of the Rights Issue” and “Conditions of the H Share Rights Issue” in this announcement. If any of the conditions is not fulfilled, the H Share Rights Issue will not proceed. Investors are advised to exercise caution when dealing in the H Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:

“Articles”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Bonus Issue”	the issue of 5 Bonus Shares for every 10 existing Shares to the Shareholders on the register of members of the Company on the Bonus Issue Record Date by way of the capitalisation of the capital reserve of the Company
“Bonus Issue Record Date”	9 July 2014, being the record date by reference to which entitlements to the final dividends and Bonus Issue were determined
“Bonus Shares”	new Domestic Shares and new H Shares to be issued pursuant to the Bonus Issue
“Company”	上海棟華石油化工股份有限公司 (Shanghai Tonva Petrochemical Co., Ltd.), a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Main Board of the Stock Exchange
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Rights Shares”	the new Domestic Shares proposed to be allotted and issued to the Qualifying Domestic Shareholders pursuant to the Domestic Share Rights Issue
“Domestic Share(s)”	the ordinary domestic share(s) of the Company with a nominal value of RMB0.10 each in the share capital of the Company
“Domestic Share Record Date”	a date to be determined by the Board by reference to which entitlements to the Domestic Share Rights Issue are to be determined

“Domestic Share Rights Issue”	the proposed issue of up to 324,000,000 Domestic Rights Shares at the Subscription Price on the basis of up to 4.5 Domestic Rights Shares for every 10 existing Domestic Shares held on the Domestic Share Record Date
“Domestic Shareholder(s)”	holder(s) of the Domestic Share(s)
“Domestic Shareholders Class Meeting”	the class meeting of the Domestic Shareholders to be convened for the Domestic Shareholders to consider and, if thought fit, approve, among other things, the Rights Issue
“EGM”	the extraordinary general meeting to be convened for the Shareholders to consider and, if thought fit, approve, among other things, the Rights Issue
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient to exclude any such Overseas Shareholder(s) on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place
“H Rights Shares”	the new H Shares proposed to be allotted and issued to the Qualifying H Shareholders pursuant to the H Share Rights Issue
“H Share(s)”	the overseas listed foreign share(s) with a nominal value of RMB0.10 each in the share capital of the Company which are listed on the Stock Exchange and are traded in Hong Kong Dollars
“H Share Record Date”	a date to be determined by the Board by reference to which entitlements to the H Share Rights Issue are to be determined
“H Share Rights Issue”	the proposed issue of up to 307,928,250 H Rights Shares at the Subscription Price on the basis of up to 4.5 H Rights Shares for every 10 existing H Shares held on the H Share Record Date
“H Share Rights Prospectus”	the prospectus to be issued by the Company and despatched to the H Shareholders in respect of the H Share Rights Issue containing further details of the H Share Rights Issue
“H Shareholder(s)”	the holder(s) of H Shares

“H Shareholders Class Meeting”	the class meeting of the H Shareholders to be convened for the H Shareholders to consider and, if thought fit, approve, among other things, the Rights Issue
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 October 2014, being the latest practicable date prior to the printing of this announcement for the purpose of ascertaining information for inclusion herein
“Latest Time for Acceptance”	the latest time for acceptance of, and payment for, the Rights Shares, which is expected to be 4:00 p.m. on the latest acceptance date for acceptance of, and payment for, the Rights Shares
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Overseas Shareholder(s)”	H Shareholders whose name(s) appear on the register of members of the Company on the H Share Record Date and whose address(es) is/are in a place outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Price Determination Date”	the date on which the Subscription Price will be fixed for the purposes of the Rights Issue, being a trading day prior to the date of the announcement in respect of the Rights Issue to be published by the Company
“Qualifying Domestic Shareholder(s)”	Domestic Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Domestic Share Record Date
“Qualifying H Shareholder(s)”	H Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the H Share Record Date (excluding Excluded Shareholder(s))
“Record Date”	collectively, the Domestic Share Record Date and/or the H Share Record Date

“Rights Issue”	collectively, the Domestic Share Rights Issue and the H Share Rights Issue
“Rights Share(s)”	collectively, the Domestic Rights Share(s) and the H Rights Share(s)
“SFO”	Securities and Futures Ordinance (Chapter 571, the laws of Hong Kong)
“Share(s)”	collectively, Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the final subscription price for the Domestic Rights Shares and the H Rights Shares to be offered pursuant to the Rights Issue
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By Order of the Board
Shanghai Tonva Petrochemical Co., Ltd.
Lan Huasheng
Chairman

Shanghai, PRC, 22 October 2014

Unless otherwise specified in this announcement and for the purpose of illustration only, HK\$ has been translated to RMB at the rate of HK\$1=RMB0.79211. No representation has been made by the Company that any amount expressed in foreign currency in this announcement has been, could have been or could be converted at any rates at all.

As at the date of this announcement, the Board comprises three executive Directors: Mr. Lan Huasheng, Mr. Mo Luojiang and Mr. Wang Liguu; one non-executive Director: Mr. Chan Cheuk Wing Andy; and three independent non-executive Directors: Mr. Chung Cheuk Ming, Ms. Pan Min and Mr. Zhou Jianhao.