This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Placing Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Placing Shares are set out in the section headed "Risk factors" in this prospectus. You should read that section carefully before you decide to invest in the Placing Shares.

BUSINESS

The Company was ranked seventh among oil well pipe manufacturers in China in terms of output and was also one of the leading oil well pipe manufacturers in China for 2005, according to the China Iron and Steel Association. It has more than 13 years of experience in the manufacture, sourcing and distribution of specialized seamless pipes. The Company classifies its products into two main categories: (i) specialized seamless pipes for the oil and natural gas industry, including oil well pipes (mainly oil transfer pipes and casing pipes etc.) and petrochemical pipes; and (ii) other specialized seamless pipes which include vessel pipes and boiler pipes.

In the last few years, the demand for oil well pipes in the PRC has continually increased. According to the China Iron and Steel Association, the consumption of oil well pipes in China increased to 2,085,000 tonnes in 2005 from 1,372,000 tonnes in 2003, representing an increase of approximately 52.0%. The sharp increase in the global demand for crude oil in recent years has led to a corresponding increase in expenditure on crude oil exploration refining and transmission. In China, capital expenditure on oil and gas exploration and production has also risen steadily in recent years. Expenditure on exploration equipment by China's three main oil producers (PetroChina, Sinopec and CNOOC) increased from approximately RMB61.8 billion in 2001 to approximately RMB107.2 billion in 2005, representing a CAGR of approximately 14.8%.

The Company's hot-rolled oil well pipe production line in Chuzhou was established at the end of 2004 and it then began production of oil well pipes in January 2005 and the Company has since then established its reputation in the oil and natural gas industry in China for its ability to manufacture high quality oil well pipes. The award of the Product Inspection Waiver obtained at the end of 2005 (and valid until December 2008) as well as its API certification obtained in early 2006 are testaments to the high quality of the Company's products and production processes.

For the two financial years ended 31 December 2005 and the six months ended 30 June 2006, sales of oil well pipes accounted for approximately 1.7%, 51.8% and 56.8% for the two financial years ended 31 December 2005 and the six months ended 30 June 2006, respectively.

It is expected that the Company's revenue contribution from oil well pipes will grow significantly going forward when the Company's utilisation of its oil well pipe production capacity improves and its oil well pipe heat processing and threading value-added production lines commence operation.

The Company has also devoted resources to maintain the quality of its other specialized seamless pipe products in line with international standards by adopting advanced production techniques and equipment, as well as strict control of testing and inspection. Throughout the years, the Company has obtained various recognitions for the production of other specialized seamless pipes including vessel pipes and boiler pipes, and received plant certifications from shipping classification societies of various countries, various production licences as well as certifications from international standards organisations such as ISO9001 and certifications by other overseas institutions.

PRODUCTS

The Company classifies its products into two main categories: (i) specialized seamless pipes for the oil and natural gas industry, including oil well pipes (mainly oil transfer pipes and casing pipes etc.) and petrochemical pipes; and (ii) other specialized seamless pipes which include vessel pipes and boiler pipes.

Specialized seamless pipes for the oil and gas industry

Casing pipes, oil transfer pipes, drilling pipes, square drilling pipes and drill collars are collectively known as oil well pipes.

The oil well pipes produced and offered by the Company are mainly oil transfer pipes with diameters from 48.3 mm to 114.3 mm and casing pipes with diameters from 114.3 mm to 219 mm.

- Casing pipes are steel tubes that are used to support the walls of oil and gas wells. They are mainly classified as: (i) surface casing pipes; (ii) technical casing pipes; and (iii) production casing pipes.

- Oil transfer pipes are specialized seamless pipes installed in the production casing pipes that allow the oil and gas to flow to the surface after the formation of oil and gas wells.

Petrochemical pipes are the specialized seamless pipes for the transmission of petroleum and natural gases and for applications in the oil refinery industry.

Specialized seamless pipes for vessels, boilers and others

Vessel pipes are pressure resistant pipes which are used in various types of ship building works. Boiler pipes refer to the specialized seamless pipes for boilers, which are mainly categorized into: (i) specialized seamless pipes for low-to-medium pressure boilers; and (ii) specialized seamless pipes for high pressure boilers. Since 1993 when the Company commenced production of specialized seamless pipes, it has continued to develop new products so as to meet market demand in this sector. The Company's vessel pipes have been certified for use in seven countries and it has also successfully developed pipes for low, medium and high pressure boilers.

The following table sets out the percentages of the Company's total revenue by product types for each of the two years ended 31 December 2005 and the six months ended 30 June 2005 (unaudited) and 30 June 2006.

	Year ended 31 December					
	2004			2005		
	Tonnes	*RMB '000*	*% of sales*	*Tonnes*	*RMB '000*	*% of sales*
Self-produced						
Oil well pipes	255.5	2,255	0.7%	94,063.1	469,529	51.8%
Petrochemical pipes	5,594.7	37,671	11.3%	6,642.7	44,868	4.9%
Other specialized seamless pipes	17,266.1	110,913	33.2%	27,804.6	161,120	17.8%
Sub-total	23,116.3	150,839	45.2%	128,510.4	675,517	74.5%
Sourcing and distribution						
Oil well pipes	607.6	3,240	1.0%	–	–	–
Petrochemical pipes	5,297.5	31,726	9.5%	5,334.1	33,020	3.6%
Other specialized seamless pipes	24,765.7	147,840	44.3%	31,315.3	198,053	21.9%
Sub-total	30,670.8	182,806	54.8%	36,649.4	231,073	25.5%
Total	53,787.1	333,645	100%	165,159.8	906,590	100%

	Six months ended 30 June					
	2005			2006		
	Tonnes	*RMB '000 (unaudited)*	*% of sales*	*Tonnes*	*RMB '000*	*% of sales*
Self-produced						
Oil well pipes	37,417.4	177,004	45.3%	67,878.4	338,386	56.8%
Petrochemical pipes	3,209.8	20,631	5.3%	4,041.9	25,255	4.2%
Other specialized seamless pipes	14,022.6	81,207	20.8%	17,936.3	99,637	16.7%
Sub-total	54,649.8	278,842	71.4%	89,856.6	463,278	77.7%
Sourcing and distribution						
Oil well pipes	–	–	–	–	–	–
Petrochemical pipes	3,103.8	19,833	5.1%	2,709.4	16,286	2.7%
Other specialized seamless pipes	16,181.7	91,928	23.5%	21,810.4	116,565	19.6%
Sub-total	19,285.5	111,761	28.6%	24,519.8	132,851	22.3%
Total	73,935.3	390,603	100%	114,376.4	596,129	100%

For the two years ended 31 December 2005 and the six months ended 30 June 2005 (unaudited) and 2006, sales to the five largest customers of the Company accounted for approximately 8.9%, 25.6%, 35.2% and 29.2%, respectively of the Company's total sales. For the two years ended 31 December 2005 and the six months ended 30 June 2005 (unaudited) and 2006, sales to the single largest customer of the Company accounted for approximately 2.2%, 12.5%, 20.2% and 9.7%, respectively, of the Company's total sales.

COMPETITIVE ADVANTAGES

The Directors consider that the success of the Company is primarily attributable to the following principal factors:

- Focused line of business;
- Successful market oriented business strategy;
- Strong sourcing and distribution capabilities to provide one-stop shop service;
- Corporate branding and quality products;
- Experienced senior management team together with strong technology know-how and technical expertise;
- Competitive cost structure; and
- Participation in an industry which is a sector encouraged by the PRC Government.

TRADING RECORD

The table below summarises the audited results of the Company for each of the two years ended 31 December 2005 and the six months ended 30 June 2006 and the unaudited results for the six months ended 30 June 2005. The audited results should be read in conjunction with the accountants' report, the text of which is set out in Appendix I to this prospectus.

Income Statement

	Year ended 31 December 2004 *RMB'000*	Year ended 31 December 2005 *RMB'000*	Six months ended 30 June 2005 *RMB'000* *(unaudited)*	Six months ended 30 June 2006 *RMB'000*
Revenue	333,645	906,590	390,603	596,129
Cost of sales	(288,053)	(762,409)	(335,863)	(487,883)
Gross profit	45,592	144,181	54,740	108,246
Other income	1	8	–	523
Selling and distribution costs	(8,162)	(24,249)	(10,119)	(19,440)
Administrative expenses	(10,198)	(19,506)	(9,601)	(6,370)
Other expenses	(25)	(279)	(155)	(370)
Finance revenue	217	2,290	514	1,588
Finance costs	(2,810)	(6,163)	(3,391)	(3,092)
Share of loss of an associate	(16)	(17)	(1)	(23)
Profit before income tax	24,599	96,265	31,987	81,062
Income tax income/(expense)	49,501	(24,391)	(11,637)	(27,640)
Profit attributable to the equity holders	74,100	71,874	20,350	53,422
Earnings per share – basic *(Note)*	RMB0.93	RMB0.26	RMB0.08	RMB0.16

Note: The calculation of basic earnings per share are based on the net profit for the year/period attributable to ordinary equity holders and the weighted average number of Domestic Shares outstanding during the Track Record Period. The weighted average number of Domestic Shares for the years ended 31 December 2004 and 2005 and six-month periods ended 30 June 2005 and 2006 are 80,000,000, 273,590,000, 250,166,000 and 340,000,000, respectively and are calculated as if the subdivision of the Company's Domestic Shares from one share of nominal value of RMB1.00 each into two Domestic Shares of RMB0.50 each, as described more fully in the section "Statutory and General Information" in Appendix VIII to the Prospectus, had been in issue throughout the Track Record Period.

Diluted earnings per share amounts for the Track Record Period have not been calculated as there were no diluting events during the Track Record Period.

HISTORY AND DEVELOPMENT

The Company's business was founded more than 13 years ago when Tianda Enterprise (then operating as Oriental Industry Company) acquired Tongcheng Steel Pipe Factory from the Tongcheng Government in 1993. Since that time, the Company has undergone reorganisation and was established on 13 April 2006 as a joint stock limited company. At the time of its establishment as a joint stock limited company, the total number of Shares in issue were 170,000,000 shares of RMB1.00 each and its total share capital was RMB170,000,000. On 7 September 2006, the 170,000,000 shares of RMB1.00 each were sub-divided and became 340,000,000 Shares.

From 1993 to 1997, the Company engaged mainly in the production, sourcing and distribution of petrochemical and other specialized seamless pipes, including vessel pipes and boiler pipes. Back in 1994, the Company established four production plants in Tianchang, Anhui Province, then occupying factory premises of approximately 7,400 sq.m. A significant number of the Company's then customers were petrochemical companies, ship builders and boiler manufacturers. During that period, the Company's annual production capacity increased from approximately 5,000 tonnes per year to 10,000 tonnes per year.

From 1998 to 2002, the Company focused on the production, sourcing and distribution of high value-added processing and technologically advanced specialized seamless pipes for, among others, petrochemical pipes as well as vessel pipes and boiler pipes. These pipes were mainly alloy seamless pipes. During this period, the Company's annual production capacity increased to 20,000 tonnes per year.

Between 2003 and the Latest Practicable Date, the Company successfully established its production plant in Chuzhou, thereby taking advantage of Chuzhou's natural gas resources and ease of access to the nearby railway and road network and hence improving overall cost efficiencies. The Company installed an ASSEL three rolled pipe machine in Chuzhou and another production line with cold-drawn technology in Tianchang for the production of oil well pipes. Both locations are within Chuzhou city, being approximately 125km apart. The annual production capacity of the Company increased from 25,000 tonnes in 2004 to 300,000 tonnes in 2006. As at 30 June 2006, the Company's warehouse in Chuzhou of approximately 31,522 sq.m. was also developed into a distribution and logistics centre.

OVERALL BUSINESS OBJECTIVES

The Company's aim is to further consolidate its position as a leading manufacturer of oil well pipes and petrochemical pipes, explore further exports to the international market and ultimately, to become a world-class oil well pipe manufacturer.

The Company's overall business objectives are:

- To upgrade existing products, develop new products, and modify product mix through research and development efforts in order to improve the profitability of the Company;
- To diversify its market coverage, actively develop its international market share and markets in the northwest and northeast China where China's largest oil producers are located, strengthen its sales team as well as enhance the standard and expand the scope of one-stop shop service;
- To increase output efficiencies and further reduce production costs actively through research and development, optimizing craftsmanship and stringent cost control, systematic energy saving and materials saving; and

- To upgrade the production capacity of the existing production lines through technical improvement, merger and acquisition or establishment of new production lines for new high-end products.

FUTURE PLANS

The Company is planning to implement the following measures to strengthen its market position and capitalize on opportunities in a rising market.

1. Intensification of research and development efforts, upgrading of existing products, development of high grade oil well pipes and other high value-added products, and modifications of product mix to enhance the gross profit margin of the Company

The Company has adopted a three pronged approach to enhance its gross profit margin:

- *Upgrading of existing products*

  Providing further value-added services to customers and product quality improvement in respect of existing products, through research and development, technical improvement, improved manufacturing technologies and expanding into downstream products.

- *Development of high grade and high value-added products*

  The Company is conducting in-depth study and research and expects to launch its high-grade steel oil well pipes which are designed to be strong, high pressure resistant and corrosion resistant and are expected to have a higher gross profit margin. With the Company's strict quality system and advanced production craftsmanship, the Company aims to develop high grade and high value-added products with quality comparable to that of imported products and the Directors believe that the Company's cost advantages will enable it to capture market share from imported products. Should the Company receive approval for its project under the 861 Action Plan, the Company also intends to commence the initial phase of its investment for a significant increase in its production capacity.

- *Improvement in product mix*

  The Company will continue to develop high-quality and high-end vessel pipes and boiler pipes, which can also be used in the oil and petrochemical industry, to optimize the Company's product mix and avoid the risks of relying on a single category of products. In order to accomplish its goal, the Company will gradually increase its investment in research and development, and employ more qualified research and development personnel.

2. Strengthen logistics and one-stop shop service

The Company intends to improve its one-stop shop service by way of strengthening its distribution and logistics capability. For this purpose, the Company owns a site in Chuzhou of approximately 258,507 sq.m. and a warehouse of approximately 31,522 sq.m. from which it has set up its distribution and logistics centre. The Company also expects to increase its sales force and logistics teams and to build additional warehouses.

3. Diversification of sales to include more exports

The Company is planning to actively expand its market penetration in both international and domestic markets. For the international market, the Company plans to increase its exports to approximately 8% of its total sales for the year ending 31 December 2006 from approximately 3% in 2005. The Company will gradually expand its market destinations from the United States to the Middle East, Africa, Europe, South America and South East Asia. For the domestic market in China, currently approximately 70% of its products are shipped to its customers in the eastern and northern parts of China. As the northern part of China is home to many major oil fields and new mega oil fields have been discovered in the northwestern part of China, the Company will focus on developing business relationships with oil fields in those regions.

4. Commitment to reducing production cost

The Company will continually use its research and development resources to optimize its production process and craftsmanship. Such efforts aim to increase the Company's output efficiencies by reducing consumption of raw materials and energy. The Company is committed to consistently employing stringent cost control systems throughout its operations.

5. Increase in production capacity

As at the Latest Practicable Date, the Company's designed capacity was 300,000 tonnes per annum, while its expected output in 2006 will be 210,000 tonnes, representing a utilisation rate of approximately 70%. The Company will continue, through technical innovation, to increase or optimize the utilisation of its production capacity as this will be less costly than establishing new production lines. The Company has commenced (but has not finished) its technology upgrade projects for heat processing of 100,000 tonnes of casing pipes and threading for casing pipes for up to 100,000 tonnes per annum. The Company may also increase its production capacity (mainly in the production of oil well pipes) through merger and acquisition as well as addition of new production lines after the end of 2006. The Company has commissioned a feasibility study by CIECC in relation to its project to increase its annual production capacity by 300,000 tonnes. Such project for the additional 300,000 tonnes production capacity has been classified as part of the 861 Action Plan of Anhui Province and the Company intends to apply for the relevant regulatory approvals. If the project receives regulatory approval and is fully implemented, the Company expects to be able to increase its production capacity to 600,000 tonnes per annum in 2009, resulting in a total production capacity increase of 100% by reference to current production capacity of 300,000 tonnes per annum. In addition, the Company also expects to achieve a further production capacity increase of 50,000 tonnes per annum in 2009 via technological upgrades of current production lines, making the expected total production capacity of 650,000 tonnes per annum in 2009.

REASONS FOR THE INTERNATIONAL PLACING AND USE OF PROCEEDS

The Company will implement a set of business plans to capitalise on business opportunities in the market of oil well pipes and other specialized seamless pipes. In this connection, the Company intends to partly finance the implementation costs of the business plans by the proceeds raised from the International Placing. Based on the Placing Price of HK$2.7 per Placing Share (being the mid-point of the indicative range of the Placing Price between HK$2.4 and HK$3.0 per Placing Share), the net proceeds from the International Placing, after deducting the underwriting and other expenses payable by the Company in relation to the International Placing, are estimated to be approximately HK$353.4 million, assuming that the Over-allotment Option is not exercised.

The Directors presently intend to apply such net proceeds of HK$353.4 million in the manner set out below.

	For the period from the Latest Practicable Date to 31 December 2006	For the six months ending 30 June 2007	For the six months ending 31 December 2007	For the six months ending 30 June 2008	For the six months ending 31 December 2008	Total
	(HK$' million)	*(HK$' million)*	*(HK$' million)*	*(HK$' million)*	*(HK$' million)*	*(HK$' million)*
Product improvement and development						
– Threading	29.3	8.9	–	–	–	38.2
– Heat Processing	33.7	9.3	–	–	–	43.0
– Ultrasonic inspection equipment	–	19.8	15.9	–	4.0	39.7
Equipment technology upgrade	–	14.9	14.8	12.9	9.8	52.4
Research & Development	1.0	10.9	7.9	8.9	10.9	39.6
Sales & Marketing	0.5	1.0	1.5	2.0	2.2	7.2
Production packaging/logistics	9.9	9.9	–	–	–	19.8
Phase II of the 861 Action Plan Feasibility study	5.0	4.9	–	–	–	9.9
Working capital	9.9	9.9	2.2	–	–	22
Sub-Total	89.3	89.5	42.3	23.8	26.9	271.8
Phase II of the 861 Action Plan/ Merger and Acquisition*						81.6
Total						353.4

* The Directors intend to apply the remaining net proceeds of HK$81.6 million to the implementation of phase II of the 861 Action Plan if it is approved by the relevant regulatory authorities and if not so approved, shall be applied to merger and acquisition opportunities, both of which plans to increase production capacity.

To the extent that the net proceeds from the International Placing are not immediately applied for in accordance with the above purposes, it is the present intention of the Directors that such net proceeds will be placed on short term deposits with banks or financial institutions in Hong Kong and/or the PRC.

If Over-allotment Option is not exercised

In the event that the Offer Price is fixed at HK$2.4 per H Share, being the lowest point of the indicative price range, the net proceeds from the International Placing (compared to that based on the mid-point of the Offer Price range as stated above and assuming that the Over-allotment Option is not exercised) will be reduced by approximately HK$41.2 million. In such circumstance, the total amount from the net proceeds to be applied towards the implementation of phase II of the Company's project within the 861 Action Plan if that project is approved by the relevant regulatory authorities would then be reduced to approximately HK$39.6 million and if the project is not so approved, shall be applied to merger and acquisition opportunities, both of which aim at increasing production capacity of the Company.

In the event that the Offer Price is fixed at HK$3.0 per H Share, being the highest point of the indicative price range, the net proceeds from the International Placing (compared to that based on the mid-point of the Offer Price range as stated above and assuming that the Over-allotment Option is not exercised) will increase by approximately HK$41.2 million. In such circumstance, the total amount from the net proceeds to be applied towards the implementation of phase II of the Company's project within the 861 Action Plan if that project is approved by the relevant regulatory authorities would increase to approximately HK$123.6 million and if that project is not so approved, in any merger and acquisition opportunities, both of which aim at increasing production capacity of the Company.

If Over-allotment Option is exercised in full

In the event that the Over-allotment Option is exercised in full, the Company will receive an additional net proceeds of approximately HK$56.6 million based on the Placing Price of HK$2.7 per Placing Share (being the mid-point of the indicative range of the Placing Price between HK$2.4 and HK$3.0 per Placing Share). In such circumstance, the total amount from the net proceeds to be applied towards the implementation of phase II of the Company's project within the 861 Action Plan if that project is approved by the relevant regulatory authorities would be increased to approximately HK$138.3 million and if that project is not so approved, shall be applied to merger and acquisition opportunities, both of which aim at increasing production capacity of the Company.

In the event that the Offer Price is fixed at HK$2.4 per H Share, being the lowest point of the indicative price range, the net proceeds accruing to the Company (compared to that based on the mid-point of the Offer Price range as stated above and assuming the Over-allotment Option is exercised in full) will be reduced by approximately HK$48.3 million. In such circumstance, the total amount from the net proceeds to be applied towards the implementation of phase II of the Company's project within the 861 Action Plan if that project is approved by the relevant regulatory authorities would increase to approximately HK$90.0 million and if that project is not so approved, shall be applied to merger and acquisition opportunities, both of which aim at increasing production capacity of the Company.

In the event that the Offer Price is fixed at HK$3.0 per H Share, being the highest point of the indicative price range, the net proceeds accruing to the Company (compared to that based on the mid-point of the Offer Price range as stated above and assuming the Over-allotment Option is exercised in full) will increase by approximately HK$48.3 million. In such circumstance, the total amount from the net proceeds to be applied towards the implementation of phase II of the Company's project within the 861 Action Plan if that project is approved by the relevant regulatory authorities would increase to approximately HK$186.5 million or if that project is not so approved, shall be applied to merger and acquisition opportunities, both of which aim at increasing production capacity of the Company.

If any part of the Business Plan becomes unattainable or is delayed, the Directors may, taking into account the then conditions and the interests of the Company and the Shareholders as a whole and subject to the GEM Listing Rules, reallocate the relevant capital to other parts of the Business Plan and/or new projects and/or place such capital as short-term deposits. Under such circumstances, the Company will issue an announcement in due course and comply with the relevant disclosure requirements under the GEM Listing Rules.

PROFIT FORECAST

The following sets forth certain forecasts of the Company for the year ending 31 December 2006. See Appendix III for further information.

Forecast profit attributable to equity holders
of the Company(1) . . . . not less than RMB110.0 million

Forecast earnings per Share(2)
(a) weighted average(3) . . . . not less than RMB0.31 (HK$0.31)
(b) pro forma(4) . . . . not less than RMB0.23 (HK$0.22)

Notes:

(1) The forecast profit attributable to equity holders of the Company for the year ending 31 December 2006 is based on our audited results for the six months ended 30 June 2006, our unaudited results for the three months ended 30 September 2006 and a forecast of the results for the three months ending 31 December 2006. The bases and assumptions on which the above profit forecast has been prepared are set out in Appendix III.

(2) Forecast earnings per Share is converted into Hong Kong dollars at the Exchange of HK$1.00 to RMB1.01 prevailing on the Latest Practicable Date.

(3) The calculation of weighted average forecast earnings per Share is based on the forecast profit attributable to equity holders of the Company of RMB110.0 million for the year ending 31 December 2006 on the basis of the issued share capital of 352,376,000 Shares, being the weighted average number of Shares in issue during the year. The Shares to be issued under the International Placing are assumed to be issued on 30 November 2006. This calculation assumes that the Over-allotment Option will not be exercised.

(4) The calculation of pro forma forecast earnings per Share is based on the forecast profit attributable to equity holders of the Company for the year ending 31 December 2006 and assuming that the Company had been listed on the Hong Kong Stock Exchange since 1 January 2006 and a total of 485,714,000 Shares were in issue throughout the year. This calculation assumes that the Over-allotment Option will not be exercised.

RESTRICTIONS ON THE TRANSFER OF DOMESTIC SHARES

It was provided in Article 21 of the Articles of Association that the Domestic Shares of the Company shall not be transferred for a period of one year since the H Shares are first listed on the Hong Kong Stock Exchange. Therefore, the Domestic Shares held by the Promoters are subject to the same restriction and shall not be transferred for a period of one year since the Listing Date.

Each of the Directors has undertaken not to approve and will procure the Company not to approve the transfer of and the registration of any transfer of the Domestic Shares owned by the Initial Management Shareholders during the applicable moratorium periods under Rule 13.16(1) of the GEM Listing Rules as required.

Initial Management Shareholders

So far as the Directors are aware, immediately after the completion of the International Placing but without taking into account of any H Shares which may be allotted and issued pursuant to an exercise of the Over-allotment Option, the shareholding structure of the Company including persons who will be regarded as Initial Management Shareholders under the GEM Listing Rules will be as follows:

Shareholder	Date of entry	Number of Shares held (immediately after the International Placing)	Percentage of shareholding (immediately after the International Placing)	Approximate cost of investment per Share	Approximate total cost of investment	Lock up period
				(HK$ per Share)	*(HK$)*	
Promoters						
Tianda Holding	23 April 2004	272,000,000	56%	0.5	136,000,000	12 months
Tianda Investment	12 April 2006	68,000,000	14%	0.5	34,000,000	12 months
Initial Management Shareholder (Notes 1 and 2)						
Tianda Holding	23 April 2004	272,000,000	56%	0.5	136,000,000	12 months
Tianda Investment	12 April 2006	68,000,000	14%	0.5	34,000,000	12 months
Ye Shi Qu *(Note 3)*	23 April 2004	340,000,000	52.12%	0.5	–	12 months *(Note 3)*
Zhang Hu Ming *(Note 3)*	23 April 2004	9,166,700	2.74%	0.5	–	12 months
Xie Yong Yang *(Note 3)*	23 April 2004	7,367,250	2.21%	0.5	–	12 months
Huang Yao Qi *(Note 3)*	8 July 2004	2,348,400	0.7%	0.5	–	6 months
Chen Dong *(Note 3)*	8 July 2004	399,700	0.12%	0.5	–	6 months
Geng Wei Long *(Note 3)*	8 July 2004	473,200	0.14%	0.5	–	6 months
Lv Si Yu *(Note 3)*	25 June 2006	119,700	0.04%	0.5	–	6 months
Zhang Chun Xiang *(Note 3)*	25 June 2006	186,400	0.06%	0.5	–	6 months
Zhang Jian Huai *(Note 3)*	25 June 2006	35,000	0.01%	0.5	–	6 months
Wang Yi *(Note 3)*	25 June 2006	151,500	0.05%	0.5	–	6 months
Public Shareholders under the International Placing						
Shareholders	Prior to the Listing Date	145,714,000	30%	Placing Price	Not applicable	Not applicable

Notes:

1. Each of the Initial Management Shareholders has confirmed that he/it is not currently engaged in any business which, either directly or indirectly, competes with the Company's business. According to the non-competition agreement signed by each of the Initial Management Shareholders with the Company dated 18 November 2006, each of the Initial Management Shareholders has undertaken unconditionally that during the period in which he/it remains as a shareholder of the Company and one year thereafter, inter alia:

   (i) he/it will not and will procure his/its associates and companies controlled by him/it or his/its associates not to invest or participate in any other business which may compete with the business that the Company is engaged or will be engaged in;

   (ii) he/it will not take advantage of his/its relationship with or position as a shareholder of the Company to engage or participate in any behaviour which may prejudice the interests of the Company and the Shareholders;

   (iii) in the event the Initial Management Shareholders were given any business opportunities that is or may involve in direct or indirect competition with the businesses of the Company, the Initial Management Shareholders shall assist the Company to obtain such business opportunities in the terms being offered to the Initial Management Shareholders, or more favourable terms or term being acceptable to the Company; and

   (iv) he/it undertakes to provide all information necessary for the annual review by the independent non-executive Directors in connection with the enforcement of the non-competition agreement or the monitoring of related disclosure from time to time.

2. Each of the Initial Management Shareholders has undertaken to the Company and the Stock Exchange that for a period commencing on the date of this prospectus and ending on the date which is (a) 12 months from the Listing Date, or (b) where the shareholders' relevant securities represent no more than 1% of the issued share capital of the Company as at the Listing Date, six months from the Listing Date, it will not (i) dispose of (nor enter into any agreement to dispose of) or permit the registered holder to dispose of (or to enter into agreement to dispose of) any of its direct or indirect interest in its relevant securities; or (ii) otherwise create (nor enter into any agreement to create) or permit the registered holder to create (or to enter into any agreement to create) any options, rights, interests or encumbrances in respect of any such interest.

3. This shareholder is only a shareholder of Tianda Holding and does not directly own any Share. The percentage of shareholding represents his/her attributable interest in the Company.

RISK FACTORS

The principal business of the Company is subject to a number of risk factors, the details of which are set out in the section headed "Risk Factors" of this prospectus. These risk factors can be categorised into (i) risk factors relating to the Company's business; (ii) risk factors relating to the industry; (iii) risk factors relating to the PRC and (iv) risk factors relating to the International Placing.

Risk factors relating to the Company's business

- Fluctuations in market demand for and/or prices of oil well and petrochemical pipes may adversely affect the Company's sales, operating results and profitability

- Disruption in relationships with major suppliers or increases in prices of raw materials may adversely affect the Company's operating results and profitability

- Inability to secure new contracts and/or purchase orders or any of the existing major customers encountering operational or financial difficulties may adversely affect the Company's business and operating results

- Inability to launch or delay in the launch of new products for oil well pipes market may adversely affect the Company's profitability and future growth prospects

- Departure of the Company's core management or technical teams without immediate and adequate replacement may have an adverse impact on the Company's business

- Product liability claims may adversely affect the Company's business, reputation and operating results

- Increasing environmental compliance may adversely affect the Company's profitability and future growth prospects

- Historical tax benefits may not continue to apply and hence the Company's profitability and financial position may be adversely affected

- If contingent liabilities relating to bank drafts issued by banks in China crystallise as a liability of the Company due to non-payment by the bank upon presentation of such bank drafts, its business, cash flow and profitability may be adversely affected

- Historical dividends are not indicative of future dividends

- The Company's inability to successfully implement its Business Plans may materially and adversely affect the Company's profitability and future growth prospects

- The Company derives substantially all of its turnover from sales in the PRC and any downturn in the PRC economy could adversely affect the Company's business and financial condition

- The Company may not be able to successfully diversify the geographical coverage of its distribution networks which may adversely affect the Company's business

- An inability to increase production capacity or to have sales increase at the same rate as production capacity increases may have an adverse impact on the Company's working capital

- If the Company should find itself in a net current liability situation, its operations and financial results may be adversely affected

- If inventory control is not carried out appropriately, this may have an adverse effect on the Company's business and financial performance

Risk factors relating to the industry

- The Company's inability to respond to technological advances may adversely affect its competitiveness and hence its profitability and future growth prospects

- Relaxation of restrictions on foreign companies conducting business in the same industry may adversely affect the Company's business, profitability and future growth prospects

- Material changes in policy towards petroleum companies may adversely affect the Company's ability to implement its Business Plan, its sales, operating results and profitability

- Any decreases in world oil prices may adversely affect the Company's business, operating results and future growth prospects

Risk factors relating to the PRC

- Political, economic and social changes in the PRC arising from the implementation of government policies may adversely affect the Company's business, operating results and future growth prospects

- The Company is subject to foreign exchange controls imposed by the PRC government and this may affect the Company's ability to make dividend payments in HK$

- The interpretation and enforcement of laws and regulations under the PRC legal system involve some uncertainty

- The Company Law and Special Regulations are not as developed as other developed countries or regions

- Changes to the PRC regulatory framework may adversely affect the Company

- Enforcement of court judgments in the PRC may be difficult

Risk factors relating to the International Placing

- An active trading market for the Company's H Shares may fail to develop or be sustained, which could have a material adverse effect on the market price and liquidity of the Shares

- Future sales or perceived sales of substantial amounts of the Company's securities in the public market, including any future A share offering in the PRC or re-registration of Domestic Shares into H Shares, could have a material adverse effect on the prevailing market price of the Company's H Shares and the Company's ability to raise capital in the future, and may result in dilution of H Share shareholdings

- Taxation of holders of H Shares