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Anhui Tianda Oil Pipe Company Limited **安徽天大石油管材股份有限公司**

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 8241)

CLARIFICATION ANNOUNCEMENT

This announcement is made to clarify certain purchases for the year ended 31 December 2006 made pursuant to the framework agreement for pipe protection casing from Tianda Company Limited.

The Company refers to its prospectus dated 27 November 2006 (the "Prospectus"). Terms as defined in the Prospectus shall bear the same meanings when used herein.

The Company manufactures specialised seamless pipes and in connection with such products, it also purchases pipe protection casing from Independent Third Parties and from Tianda Company Limited. Tianda Company Limited is a 95% subsidiary of Tianda Holding, the controlling shareholder of the Company. Consequently, purchases from Tianda Company Limited would, upon the Company becoming a company listed on GEM, constitute continuing connected transactions for the Company under the GEM Listing Rules.

It is stated in the Prospectus that *"The amounts incurred by the Company for the pipe protection casing supplied by Tianda Company Limited for the two years ended 31 December 2005 and the six months ended 30 June 2006 were approximately RMB1,582,059 (equivalent to approximately HK\$1,566,395), RMB26,577 (equivalent to approximately HK\$26,314) and RMB1,945,859 (equivalent to approximately HK\$1,926,593), respectively.*

Based on the volume of the pipe protection casing previously purchased by the Company, the Directors, having taken into account the market conditions, anticipate that the amounts payable by the Company for the pipe protection casing to be purchased by the Company for the three years ending 31 December 2008 will be less than RMB844,540 (equivalent to approximately HK\$836,178), RMB886,760 (equivalent to approximately HK\$877,980) and RMB931,000 (equivalent to approximately HK\$921,782), respectively. The applicable percentage ratio(s) will, on an annual basis, be less than 0.1%. Accordingly, the continuing connected transactions fall within the de minimis exemption under Rule 20.33(3) of the GEM Listing Rules and are therefore exempt from further reporting, announcement and independent Shareholders' approval requirements under the GEM Listing Rules."

The Company is in the process of finalising its 2006 annual report as well as coordinating the preparation of audited financial statements of the Company for the year ended 31 December 2006 by its external auditors (the "Draft 2006 Financial Statements"). Based on the Draft 2006 Financial Statements, the Company confirms

that the actual purchases for pipe protection casing for the period commencing the date of the Prospectus till 31 December 2006 was approximately RMB585,000 and within the estimate the Company stated in the Prospectus to be so purchased. The Prospectus already states that the purchases for pipe protection casing for the first six months of 2006 was RMB1,945,859. Assuming the Draft 2006 Financial Statements are issued in their current form, the Company will show that such purchases for the financial year ended 31 December 2006 was RMB5,136,000 (being RMB1,945,859 for the first six months of 2006 (as consistent with the Prospectus), RMB2,605,141 for the period from 1 July 2006 till 30 November 2006 (prior to the Listing Date) and RMB585,000 from the Listing Date till 31 December 2006 (being within the estimate stated in the Prospectus to be so purchased)). Whilst the purchases after the Listing Date would not, in themselves, have required the Company to make an announcement under the Listing Rules, such purchases, when aggregated with those prior to the Listing Date for the same financial year, would have exceeded 0.1% but is less than 2.5% under the applicable ratios of Chapter 19 of the GEM Listing Rules. In those circumstances and if the purchases prior to the Listing Date are aggregated, the Company should have made an announcement under the GEM Listing Rules. The Company makes this announcement to clarify the amount of purchases of pipe protection casing from Tianda Company Limited for the full year ended 31 December 2006.

Details of the Transaction will be disclosed in the Company's upcoming annual report.

The board of directors of the Company also take this opportunity to confirm that the anticipated purchase amounts of RMB886,760 and RMB931,000 for the two years ending 31 December 2008 as set out in the Prospectus remain unchanged as it is the on-going strategy of the Company to source most of its pipe protection casing from Independent Third Parties.

By order of the Board of
Anhui Tianda Oil Pipe Company Limited
Ye Shi Qu
Chairman

Hong Kong, 14 March 2007

As at the date of this announcement, the Directors of the Company are:

Executive Directors:

Ye Shi Qu
Zhang Hu Ming
Xie Yong Yang

Non-executive Directors:

Zhang Jian Huai
Liu Peng

Independent Non-executive Directors:

Wu Chang Qi
Wang Xiu Zhi
Zhao Bin

As the exchange rate for RMB to HK\$ is approximately at parity at the date of this announcement, investors can take the RMB figures above to represent approximately the same amounts in HK\$.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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