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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)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

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

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate.

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website (www.hkgem.com) operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

This announcement, for which the directors (the "Directors") of Anhui Tianda Oil Pipe Company Limited (the "Company") collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable information 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

The board of directors (the “Board”) of the Company is pleased to present its final results (the “Final Results”) for the year ended 31 December 2006 together with the comparative audited figures for 2005.

FINAL RESULTS

INCOME STATEMENT

| | <i>Notes</i> | Year ended 31 December | |
|----------------------------------|--------------|------------------------|------------------------|
| | | 2006 <i>RMB'000</i> | 2005 <i>RMB'000</i> |
| Revenue | 2 | 1,265,314 | 906,590 |
| Cost of sales | | <u>(1,013,539)</u> | <u>(762,409)</u> |
| Gross profit | | 251,775 | 144,181 |
| Other income | | 5,217 | 8 |
| Selling and distribution costs | | (41,495) | (24,249) |
| Administrative expenses | | (17,682) | (19,506) |
| Other expenses | | <u>(2,724)</u> | <u>(279)</u> |
| Operating profit | | 195,091 | 100,155 |
| Finance revenue | | 2,226 | 2,290 |
| Finance costs | | (6,501) | (6,163) |
| Share of loss of an associate | | <u>(23)</u> | <u>(17)</u> |
| Profit before tax | 3 | 190,793 | 96,265 |
| Income tax expense | 4 | <u>(72,302)</u> | <u>(24,391)</u> |
| Profit for the year | | <u>118,491</u> | <u>71,874</u> |
| Dividends | 6 | | |
| Dividend | | 56,663 | 17,041 |
| Proposed final dividend | | <u>25,379</u> | <u>—</u> |
| | | <u>82,042</u> | <u>17,041</u> |
| Earnings per share | | | |
| — basic, for profit for the year | 5 | <u>RMB0.34</u> | <u>RMB0.26</u> |

BALANCE SHEET

| | | As at 31 December | |
|--|-------|-------------------|----------------|
| | | 2006 | 2005 |
| | Notes | RMB'000 | RMB'000 |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 342,052 | 230,689 |
| Prepaid land premiums | | 28,158 | 10,852 |
| Investment in an associate | | — | 454 |
| Deferred tax asset | | — | 38,551 |
| Total non-current assets | | 370,210 | 280,546 |
| Current assets | | | |
| Inventories | | 201,828 | 131,385 |
| Trade and notes receivables | 7 | 92,591 | 22,214 |
| Prepayments, deposits and other receivables | | 57,513 | 138,755 |
| Cash and bank balances | | 436,429 | 12,749 |
| Total current assets | | 788,361 | 305,103 |
| Total assets | | 1,158,571 | 585,649 |
| Equity and Liabilities | | | |
| Equity | | | |
| Issued capital | | 253,785 | 170,000 |
| Reserves | 9 | 558,208 | 141,302 |
| Proposed final dividend | | 25,379 | — |
| Total equity | | 837,372 | 311,302 |
| Non-current liabilities | | | |
| Interest-bearing loans and borrowings | | 35,000 | 85,000 |
| Current liabilities | | | |
| Interest-bearing loans and borrowings | | 70,000 | 25,000 |
| Trade and notes payables | 8 | 66,910 | 45,874 |
| Income tax payable | | 27,342 | 914 |
| Accrued liabilities and other payables | | 121,947 | 117,559 |
| Total current liabilities | | 286,199 | 189,347 |
| Total liabilities | | 321,199 | 274,347 |
| Total equity and liabilities | | 1,158,571 | 585,649 |
| Net current assets | | 502,162 | 115,756 |
| Total assets less current liabilities | | 872,372 | 396,302 |

NOTES:

1. BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise standards and interpretations approved by the International Accounting Standards Board, and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirement of the Hong Kong Companies Ordinance.

The Company maintains its books and prepares its statutory financial statements in accordance with the relevant accounting principles and financial regulations promulgated by the Ministry of Finance of the PRC. The accounting policies and bases adopted in the preparation of the statutory financial statements differ in certain respects from IFRSs. The differences arising from restating the results of operations and financial position to comply with IFRSs have been adjusted in these financial statements, but will not be taken up in the accounting records of the Company.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Company has adopted the following new and amended IFRSs and International Financial Reporting Interpretations Committee (IFRIC) interpretation during the year.

| | |
|---------|--|
| IAS 21 | Amendment-The Effects of Changes in Foreign Exchange Rates |
| IAS 39 | Amendment-Financial Instruments: Recognition and Measurement |
| IFRIC 4 | Determining whether an Arrangement Contains a Lease |

Adoption of these revised standards and interpretations did not have any significant effect on the financial statements of the Company.

Future changes in accounting policies

The Company has not applied the following new and revised IFRSs and IFRIC Interpretations that have been issued but are not yet effective, in the financial statements unless otherwise stated. These IFRSs and IFRICs are effective for annual periods beginning on or after 1 January 2007.

| | |
|----------|---|
| IAS 1 | Amendment — Presentation of Financial Statements — Capital Disclosure |
| IFRS 7 | Financial Instruments: Disclosures |
| IFRS 8 | Operating Segments |
| IFRIC 7 | Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies |
| IFRIC 8 | Scope of IFRS 2 |
| IFRIC 9 | Reassessment of Embedded Derivatives |
| IFRIC 10 | Interim Financial Reporting and Impairment |
| IFRIC 11 | IFRS2 — Group and Treasury Share Transactions |
| IFRIC 12 | Service Concession Arrangements |

The directors of the Company expect that the adoption of the pronouncements listed above will not have any significant impact on the Company's financial statements or are not relevant to the activities of the Company in the period of initial application.

2. REVENUE

Revenue represents the net invoiced value of goods sold, net of value-added tax, after allowance for returns, trade discounts and various types of government surcharges where applicable.

| | 2006 <i>RMB'000</i> | 2005 <i>RMB'000</i> |
|-----------------------------|------------------------|------------------------|
| Sales of goods | 1,268,625 | 907,519 |
| Less: Government surcharges | (3,311) | (929) |
| Revenue | <u>1,265,314</u> | <u>906,590</u> |

3. PROFIT BEFORE TAX

The Company's profit before income tax is arrived at after charging:

| | 2006 <i>RMB'000</i> | 2005 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Costs of sales | 1,013,539 | 762,409 |
| Depreciation | 21,499 | 18,221 |
| Amortisation of prepaid land premiums | 540 | 239 |
| Provision for bad and doubtful debts | 273 | 235 |
| Provision for obsolete inventories | 250 | 1,800 |
| Research and development costs | 2,736 | 526 |
| Auditors' remuneration | 725 | 2 |
| Staff costs (including Directors', supervisors' and senior executives' remuneration): | | |
| — Salaries and other staff costs | 19,637 | 10,579 |
| — Retirement costs-defined contribution fund | 2,315 | 1,077 |
| | <u>21,952</u> | <u>11,656</u> |

4. INCOME TAX

No provision for Hong Kong profits tax has been made as the Company had no assessable profits arising in Hong Kong for the year ended 31 December 2006.

The Company was subject to income tax at the rate of 33% on its taxable income according to the PRC Enterprise Income Tax Law.

The major components of income tax expense for the years ended 31 December 2006 and 2005 is as follows:

| | 2006 <i>RMB'000</i> | 2005 <i>RMB'000</i> |
|---|-------------------------------|------------------------|
| Current income tax charge | 33,751 | 5,146 |
| Deferred income tax relating to origination and reversal of temporary differences | 38,551 | 19,245 |
| Income tax expense reported in the income statement | <u>72,302</u> | <u>24,391</u> |

5. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit for the year attributable to the equity holders of the Company and the weighted average number of shares (including Domestic Shares and H Shares) outstanding during the year. The weighted average number of shares for the year ended 31 December 2006 is 353,513,000 (2005: 273,590,000), which is 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 had been in issue throughout 2005 and 2006.

Basic and diluted earnings per share amounts for the years ended 31 December 2006 and 2005 are the same as there were no diluting events during these two years.

6. DIVIDENDS

| | 2006 <i>RMB'000</i> | 2005 <i>RMB'000</i> |
|--|-------------------------------|------------------------|
| Dividend — RMB 20 cents (2005: RMB 6 cents) per ordinary share | 56,663 | 17,041 |
| Proposed final dividend — RMB 5 cents (2005: Nil) per ordinary share | 25,379 | — |
| | <u>82,042</u> | <u>17,041</u> |

Pursuant to a resolution of an extraordinary shareholders' meeting on 20 March 2006, the Company's shareholders approved the proposed final dividend for the year ended 31 December 2005 of RMB56,663,000 in aggregate to the then shareholders. Of the RMB56,663,000, RMB1,621,000 was paid in cash to Tianda Trade Union and the balance to Anhui Tianda Enterprise (Group) Company Limited ("Tianda Holding") by way of setting off against the funds due from Tianda Holding in March 2006.

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

7. TRADE AND NOTES RECEIVABLES

| | 2006 <i>RMB'000</i> | 2005 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Notes receivables | 45,729 | 12,260 |
| Trade receivables - third parties | 47,097 | 10,207 |
| Receivable from an associate | — | 817 |
| | <u>92,826</u> | <u>23,284</u> |
| Less: Provision for bad and doubtful debts | (235) | (1,070) |
| | <u><u>92,591</u></u> | <u><u>22,214</u></u> |

Pursuant to the tax bureau's approval, the Company wrote off uncollectible trade receivables of RMB835,000 during the year (2005: Nil).

An ageing analysis of the trade and notes receivables on the balance sheet dates, based on the invoice date, is as follows:

| | 2006 <i>RMB'000</i> | 2005 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Outstanding balances with ages: | | |
| Within one year | 92,569 | 22,429 |
| Between one and two years | 257 | 18 |
| Between two and three years | — | 39 |
| Over three years | — | 798 |
| | <u>92,826</u> | <u>23,284</u> |
| Less: Provision for bad and doubtful debts | (235) | (1,070) |
| | <u><u>92,591</u></u> | <u><u>22,214</u></u> |

The balances of trade and notes receivables are unsecured, interest-free and are generally on 1-45 days' terms.

8. TRADE AND NOTES PAYABLES

| | 2006 <i>RMB'000</i> | 2005 <i>RMB'000</i> |
|-------------------------------------|------------------------|------------------------|
| Notes payables | 20,746 | — |
| Trade payables - third parties | 41,846 | 45,874 |
| Amount due to Tianda Holding | 419 | — |
| Amount due to other related parties | 3,899 | — |
| | <u>66,910</u> | <u>45,874</u> |

All notes payable balances are unsecured, interest-free and are payable in six months.

The amount due to Tianda Holding and other related parties are unsecured, interest-free and have no fixed terms of repayment. All remaining trade payable balances are unsecured, interest-free and are generally on a term of 30 days.

An ageing analysis of the trade and notes payables on the balance sheet dates, based on the invoice date, is as follows:

| | 2006 <i>RMB'000</i> | 2005 <i>RMB'000</i> |
|---------------------------------|------------------------|------------------------|
| Outstanding balances with ages: | | |
| Within one year | 66,290 | 45,707 |
| Between one and two years | 453 | 51 |
| Between two and three years | 51 | 3 |
| Over three years | 116 | 113 |
| | <u>66,910</u> | <u>45,874</u> |

9. MOVEMENT TO AND FROM RESERVES

| | Attributable to equity holders of the Company | | | | | | | Total RMB'000 |
|---|---|--|--|---|--|---------------------------------|--|------------------|
| | Issued capital RMB'000 | Share premium account RMB'000 | Statutory surplus reserve RMB'000 | Statutory public welfare fund RMB'000 | General surplus reserve RMB'000 | Retained earnings RMB'000 | Proposed final dividend RMB'000 | |
| At 1 January 2005 | 40,000 | — | 4,295 | 2,147 | — | 80,027 | — | 126,469 |
| Net profit for the year | — | — | — | — | — | 71,874 | — | 71,874 |
| Capital injection | 130,000 | — | — | — | — | — | — | 130,000 |
| Appropriation of statutory surplus reserve and statutory public welfare fund | — | — | 8,974 | 4,487 | — | (13,461) | — | — |
| 2004 final dividend declared | — | — | — | — | — | (17,041) | — | (17,041) |
| At 31 December 2005 | 170,000 | — | 13,269 | 6,634 | — | 121,399 | — | 311,302 |
| Net profit for the year | — | — | — | — | — | 118,491 | — | 118,491 |
| Issue of share capital | 83,785 | 380,457 | — | — | — | — | — | 464,242 |
| Transfer of statutory public welfare fund | — | — | — | (6,634) | 6,634 | — | — | — |
| Appropriation of statutory surplus reserve | — | — | 15,606 | — | — | (15,606) | — | — |
| 2005 final dividend declared | — | — | — | — | — | (56,663) | — | (56,663) |
| Proposed 2006 final dividend | — | — | — | — | — | (25,379) | 25,379 | — |
| At 31 December 2006 | <u>253,785</u> | <u>380,457</u> | <u>28,875</u> | <u>—</u> | <u>6,634</u> | <u>142,242</u> | <u>25,379</u> | <u>837,372</u> |

10. SEGMENT INFORMATION

The primary format for reporting the segment information is by business segments, with each segment representing a product line. The business segments are organised as follows:

- Manufacturing of seamless steel pipes
- Sourcing and distribution of seamless steel pipes

There are no intersegment sales. No further geographical segment information is presented as over 90% of the Company's revenue for the year ended 31 December 2006 is derived from customers based in the mainland China.

Certain assets and all liabilities can not be directly attributable to individual segments and it is impractical to allocate them to the segments.

Year ended 31 December 2006

| | Manufacturing of seamless steel pipes RMB'000 | Sourcing and distribution of seamless steel pipes RMB'000 | Total RMB'000 |
|----------------------------------|--|--|--------------------------|
| Revenue | <u>1,015,267</u> | <u>250,047</u> | <u>1,265,314</u> |
| Results | | | |
| Segment gross profit | 221,954 | 29,821 | 251,775 |
| Unallocated other income | | | 5,217 |
| Unallocated expenses | | | (61,901) |
| Net finance costs | | | (4,275) |
| Share of loss of an associate | | | (23) |
| Profit before tax | | | 190,793 |
| Income tax expense | | | (72,302) |
| Net profit for the year | | | <u>118,491</u> |
| As at 31 December 2006 | | | |
| Assets | | | |
| Segment assets | 548,526 | 23,512 | 572,038 |
| Investment in an associate | | | — |
| Unallocated assets | | | 586,533 |
| Total assets | | | <u>1,158,571</u> |
| Liabilities | | | |
| Segment liabilities | | | — |
| Unallocated liabilities | | | 321,199 |
| Total liabilities | | | <u>321,199</u> |
| Other segment information | | | |
| Capital expenditure | 150,708 | — | 150,708 |
| Depreciation and amortisation | 22,039 | — | 22,309 |
| Impairment of assets recognised | <u>523</u> | <u>—</u> | <u>523</u> |

Year ended 31 December 2005

| | Manufacturing of seamless steel pipes RMB'000 | Sourcing and distribution of seamless steel pipes RMB'000 | Total RMB'000 |
|----------------------------------|--|--|--------------------------|
| Revenue | <u>675,517</u> | <u>231,073</u> | <u>906,590</u> |
| Results | | | |
| Segment gross profit | 120,234 | 23,947 | 144,181 |
| Unallocated other income | | | 8 |
| Unallocated expenses | | | (44,034) |
| Net finance costs | | | (3,873) |
| Share of loss of an associate | | | (17) |
| Profit before tax | | | 96,265 |
| Income tax expense | | | (24,391) |
| Net profit for the year | | | <u>71,874</u> |
| As at 31 December 2005 | | | |
| Assets | | | |
| Segment assets | 362,417 | 10,509 | 372,926 |
| Investment in an associate | | | 454 |
| Unallocated assets | | | 212,269 |
| Total assets | | | <u>585,649</u> |
| Liabilities | | | |
| Segment liabilities | | | — |
| Unallocated liabilities | | | 274,347 |
| Total liabilities | | | <u>274,347</u> |
| Other segment information | | | |
| Capital expenditure | 42,826 | — | 42,826 |
| Depreciation and amortisation | 18,460 | — | 18,460 |
| Impairment of assets recognised | <u>2,035</u> | <u>—</u> | <u>2,035</u> |

Operational Review

During the year under review, the Company continued to research and develop new oil well pipe products and its sourcing and distribution business also maintained steady growth. In early 2006, the Company launched a new production line for oil transfer pipes in the Company's Tianchang production facilities.

Through technology upgrades, the Company has increased the standard and the added-value of its products. In 2006, the Company commenced its technology upgrade projects for heat processing of 100,000 tonnes per annum of oil casing pipes and threading finish for oil casing pipes for up to 100,000 tonnes per annum and expects to commence commercial production in the first half of 2007. Once in commercial production, the oil well pipes can, after threading, be used directly in the oil fields without further processing under normal circumstances. The performance and quality of oil well pipes which have been subject to heat processing were enhanced and they can be used in harsher geological conditions, thereby enhancing the standards of the Company's products and optimizing its product mix.

Financial Review

The Company recorded a turnover of approximately RMB1,265,314,000 during the year, representing an increase of approximately 39.6% from approximately RMB906,590,000 for the corresponding period in 2005. This increase was primarily attributable to the Company's increased sales as a result of the commencement of production from the new oil well pipe production line in the Tianchang production facilities in early 2006 and better utilisation of the oil well pipe production line launched in the Chuzhou production facilities in 2006.

The Company's cost of sales increased 32.9% from RMB762,409,000 in 2005 to RMB1,013,539,000 in 2006, and is lower than the increment of the Company's revenue increase. The increase in cost of sales is mainly due to the increase in sales as a result of both a relatively more optimized production line as compared with 2005 in the Company's Chuzhou production facilities which in turn leads to a high production capacity, as well as the implementation of a new oil well pipe production line in the Tianchang production facilities in early 2006.

The gross profit and the gross margin of the Company were approximately RMB251,775,000 and 19.9% respectively, representing a respective increase of RMB107,594,000 and 25.2% from the corresponding period in 2005. The increase in the gross profit was attributable to the launching of the new production line in the Company's Tianchang production facilities for oil well pipes, the higher utilization rate of the oil well pipe production line in the Company's Chuzhou production facilities and the commencement of sales of certain high value-added oil well pipe products in the market.

The Company's profit attributable to equity holders amounted to approximately RMB118,491,000 for the year, representing an increase of approximately 64.9% as compared with 2005. Such increase was mainly attributable to increase in sales of oil well pipes with higher margins and increased economies of scale.

Major Events

On 1 December 2006, the H shares of the Company with a nominal value of RMB0.50 each in the registered capital of the Company (the “H Shares”) were successfully listed on the GEM of the Stock Exchange by way of international placing (the “International Placing”), and the placing price for each placing H Share was HK\$3.00.

Pursuant to the International Placing, the Company issued 145,714,000 H Shares. Immediately after the completion of the International Placing, the registered share capital of the Company was RMB242,857,000 divided into 485,714,000 shares of RMB0.50 each. Upon the exercise in full of the over-allotment option on 7 December 2006, the Company issued a further 21,856,000 new H Shares at a price of HK\$3.00 per share and such H shares were also listed on the GEM. As a result of the exercise of such option, the Company’s registered share capital increased to RMB253,785,000 consisting of 507,570,000 shares of RMB0.50 each.

The gross and net proceeds from the International Placing and the exercise of the over-allotment option totalled approximately HK\$502,710,000 and approximately HK\$460,969,000 respectively.

The proceeds were intended to finance the implementation costs of a set of business plans to capitalize on business opportunities in the market of oil well pipes and other specialized seamless pipes.

Prospects

For the first two months of 2007, oil prices have continued to remain relatively high. The prospects of demand for oil well pipes continue to be underpinned by increased oil exploration globally and domestically in the PRC. In order to meet the growing market demand for the Company’s products, the Company had obtained the relevant governmental approval for our “Eleventh Five Year Plan” technological upgrade of oil well pipes project (referred to in the Prospectus as phase II of the Company’s project within the “861 Action Plan”, further details of which were published in the Company’s announcement dated 16 January 2007). The Company is now in the process of conducting environmental impact evaluations and applying for other approvals pursuant to the relevant environmental regulations. It is the Company’s plan to increase its production capacity by 300,000 tonnes for high grade oil well pipes by the end of 2009. The expected investment cost will be approximately RMB790,000,000 and will be funded, as and when required, by a combination of internal cash resources, bank financing and equity financing depending on a combination of various conditions (including market conditions) at the relevant time. The Company will further reinforce its efforts on product research and development as well as technological upgrade processes to improve its product offering, increase its products’ value, improve performance of its production equipment, improve corporate governance and reduce operating costs.

The Company will also seek opportunities to broaden its product mix as part of its ongoing efforts to strengthen logistics and one-stop shop service. This can be achieved by ramping up its approximately 31,500 sq.m. distribution and logistics centre established in Chuzhou in 2006 and diversifying into more downstream products. The Company has made further inroads into the PRC domestic market on the back of continued and active exploration in the oil field markets in the northeastern and northwestern parts of the PRC. At the same time, the Company is actively expanding its penetration rate and sales in the international market by exporting products to more countries and regions such as the Middle East, Africa and South America.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2006.

CORPORATE GOVERNANCE

Throughout the period from 1 December 2006 to 31 December 2006 (being the post listing period), the Company has complied with the code of provisions in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 of the GEM Listing Rules. The Board and the senior management of the Company have seriously appraised the Code and reviewed the practices of the Company to ensure full compliance of the Code.

AUDIT COMMITTEE

The Company's audited financial statements as set out in this announcement have been reviewed by the audit committee of the Company which, in turn, is of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

AUDITORS

The financial statements prepared under the IFRS have been audited by Ernst & Young and the Company has also appointed Anhui Tianhua CPA Firm (安徽天華會計師事務所) in the PRC to prepare the financial statements for tax purpose. Ernst & Young and Anhui Tianhua CPA Firm will both retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of RMB0.05 per share in respect of the year ended 31 December 2006. Dividends payable to domestic shareholders will be paid in RMB, while dividends payable to holders of H Shares will be paid in Hong Kong dollars. Subject to the approval at the annual general meeting to be held on 10 May 2007, the final dividend is expected to be payable on or about 6 June 2007.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company shall be closed from 10 April 2007 to 10 May 2007 (both days inclusive) during which period no transfer of shares will be effected. To be eligible for the dividends, all transfer documents accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Company's transfer office and share registrar in Hong Kong, whose address is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30pm on 4 April 2007.

By Order of the Board
安徽天大石油管材股份有限公司
Anhui Tianda Oil Pipe Company Limited
Ye Shi Qu
Chairman

Anhui, China, 19 March 2007

As at the date of this notice, executive directors of the Company comprises Mr. Ye Shi Qu, Mr. Zhang Hu Ming and Mr. Xie Yong Yang; Mr. Zhang Jian Huai, Mr. Liu Peng as non-executive directors and Mr. Wu Chang Qi, Mr. Wang Xiu Zhi and Mr. Zhao Bin as independent non-executive Directors.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting.