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)

PRELIMINARY QUARTERLY RESULTS ANNOUNCEMENT

For the nine months ended 30 September 2007

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("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 investment 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.

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*This announcement, for which the directors (the "**Directors**") of Anhui Tianda Oil Pipe Company Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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.*

The board of Directors (the "**Board**") is pleased to present the results for the nine months ended 30 September 2007 together with comparative figures for the corresponding period in 2006 and for the three months ended 30 September 2007 together with comparative figures for the corresponding period in 2006.

Income statement (Unaudited)

		For the three months ended 30 September		For the nine months ended 30 September	
		2007	**2006**	**2007**	**2006**
	Note	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Revenue	2	**416,569**	327,689	**1,145,130**	923,818
Cost of sales		**(333,402)**	(262,586)	**(918,362)**	(750,469)
Gross profit		**83,167**	65,103	**226,768**	173,349
Other revenue		**15**	49	**5,693**	572
Selling & distribution costs		**(13,758)**	(10,503)	**(37,974)**	(29,943)
Administrative expenses		**(7,606)**	(3,515)	**(24,890)**	(9,885)
Other expenses		**(28)**	(20)	**(223)**	(174)
Operating profit		**61,790**	51,114	**169,374**	133,919
Finance revenue	3	**1,648**	42	**8,971**	1,630
Finance costs	3	**(1,502)**	(1,845)	**(12,527)**	(5,153)
Share of loss of an associate		**-**	-	**-**	(23)
Profit before tax		**61,936**	49,311	**165,818**	130,373
Income tax expense	4	**(20,439)**	(17,071)	**(53,771)**	(44,711)
Profit for the period		**41,497**	32,240	**112,047**	85,662
Dividends	5	**-**	-	**25,379**	56,663
Earnings per share					
Basic, profit for the period	6	**RMB0.08**	RMB0.09	**RMB0.22**	RMB0.25

Statement of changes in equity (Unaudited)

	Attributable to equity holders of the Company							
	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	Total RMB'000
At 31 December 2006	253,785	380,457	28,875	-	6,634	142,242	25,379	837,372
Profit for the period	-	-	-	-	-	112,047	-	112,047
2006 final dividend declared	-	-	-	-	-	-	(25,379)	(25,379)
At 30 September 2007	253,785	380,457	28,875	-	6,634	254,289	-	924,040
At 31 December 2005	170,000	-	13,269	6,634	-	121,399	-	311,302
Profit for the period	-	-	-	-	-	85,662	-	85,662
Transfer of statutory public welfare fund	-	-	-	(6,634)	6,634	-	-	-
2005 final dividend declared	-	-	-	-	-	(56,663)	-	(56,663)
At 30 September 2006	170,000	-	13,269	-	6,634	150,398	-	340,301

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 People's Republic of China (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.

2. Revenue

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

	For the nine months ended 30 September	
	2007	**2006**
	(Unaudited)	**(Unaudited)**
	RMB'000	**RMB'000**
Sale of goods	**1,147,053**	926,219
Less: Government surcharges	**(1,923)**	(2,401)
Revenue	**1,145,130**	923,818

3. Finance revenue and costs

	For the nine months ended 30 September	
	2007	**2006**
	(Unaudited)	**(Unaudited)**
	RMB'000	**RMB'000**
Finance revenue		
Bank interest income	**8,971**	81
Interest on a balance due from Anhui Tianda Enterprise (Group) Company Limited ("**Tianda Holding**")	**-**	1,549
	8,971	1,630
Finance costs		
Bank loan interest	**3,707**	4,815
Interest arising from bill discounting	**272**	-
Foreign exchange losses	**8,548**	338
	12,527	5,153

Including in the foreign exchange losses of RMB8,548,000 for the nine months ended 30 September 2007, a foreign exchange loss of RMB7,349,000 (nine months ended 30 September 2006: Nil) was incurred as the result of the depreciation of Hong Kong dollars against RMB in relation to the collected international placing proceeds denominated in Hong Kong dollars in December 2006.

4. Income tax expense

No provision for Hong Kong profits tax has been made as the Company had no assessable profits arising in Hong Kong for the nine months ended 30 September 2007 (nine months ended 30 September 2006: Nil).

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

During the 5th Session of the 10th National People's Congress, which was concluded on 16 March 2007, the PRC Corporate Income Tax Law (the "**New Corporate Income Tax Law**") was approved and will become effective on 1 January 2008. The New Corporate Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rate for domestic-invested and foreign-invested enterprises at 25%. Therefore, the applicable income tax rate of the Company will become 25% according to the New Corporate Income Tax Law starting from 1 January 2008.

The major components of income tax expense for the nine months ended 30 September 2007 and 2006 are as follows:

	For the nine months ended 30 September	
	2007	**2006**
	(Unaudited)	**(Unaudited)**
	RMB'000	**RMB'000**
Current income tax charge	**55,256**	22,217
Adjustments in respect of current tax of previous years	**(1,485)**	-
Deferred income tax relating to origination and reversal of temporary differences	**-**	22,494
Income tax expense reported in the income statement	**53,771**	44,711

5. Dividends

The Board does not recommend any interim dividend for the nine months ended 30 September 2007 (nine months ended 30 September 2006: Nil).

Pursuant to a resolution of an annual shareholders' meeting on 10 May 2007, the Company's shareholders approved the proposed dividend for the year ended 31 December 2006 of RMB25,379,000 (RMB0.05 per share) in aggregate to the then shareholders.

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 (RMB0.20 per share) 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 Tianda Holding by way of setting off against the funds due from Tianda Holding in March 2006.

6. Earnings per share

The calculation of basic earnings per share is based on the net profit for the period attributable to the equity holders of the Company and the weighted average number of shares (including Domestic shares and H shares) outstanding during the period. The weighted average number of shares for the nine months ended 30 September 2007 is 507,570,000 (nine months ended 30 September 2006: 340,000,000, which is calculated as if the subdivision of the Company's Domestic shares from one share of nominal value of RMB1.00 into two Domestic shares of RMB0.50 each had been in issue throughout the nine months ended 30 September 2006).

Diluted earnings per share amounts for the nine months ended 30 September 2007 and 2006 have not been calculated as there were no diluting events during the nine months ended 30 September 2007 and 2006.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the nine months ended 30 September 2007, the Company recorded total revenue of approximately RMB1,145,130,000 (nine months ended 30 September 2006: approximately RMB923,818,000). Compared to the corresponding period in the previous year, there is an increase in the total revenue of approximately RMB221,312,000 or a growth of approximately 24.0%. For the three months ended 30 September 2007, the Company recorded total revenue of approximately RMB416,569,000 (three months ended 30 September 2006: approximately RMB327,689,000). Compared to the corresponding period in the previous year, there is an increase in the total revenue of approximately RMB88,880,000 or a growth of approximately 27.1%. Sales of oil well pipes represent approximately RMB719,684,000 and approximately 62.8% to total revenue for the nine months ended 30 September 2007 (nine months ended 30 September 2006: approximately RMB532,689,000 and approximately 57.7% to total revenue). This increase was primarily attributable to the Company's increased sales as a result of increased production from and utilization of the oil well pipe production lines. The commencement of production of the Company's heat treatment production line and threading production line in January 2007 and July 2007 respectively has also contributed to such increase in revenue.

For the nine months ended 30 September 2007, the Company recorded gross profit of approximately RMB226,768,000 (nine months ended 30 September 2006: approximately RMB173,349,000), as compared to the equivalent period last year, gross profit increased by approximately RMB53,419,000 or a growth of approximately 30.8%. Included therein is an increase in gross profit for the three months ended 30 September 2007 to approximately RMB83,167,000 (three months ended 30 September 2006: approximately RMB65,103,000), being an increase of approximately RMB18,064,000 or a growth of approximately 27.7% as compared with the corresponding period in the previous year. It is primarily the result of the increase in sales of oil well pipes of the Company as well as the commencement of sales of heat treated and threaded oil well pipes which have higher profit margins. The gross margin of oil well pipes has increased from approximately 22.8% for the nine months ended 30 September 2006 to approximately 23.4% for the nine months ended 30 September 2007. The increase in gross margin of and sales of oil well pipes facilitated the rise in the gross margin of the Company as a whole to approximately 19.8% for the nine months ended 30 September 2007 (nine months ended 30 September 2006: approximately 18.8%) and to approximately 20.0% for the three months ended 30 September 2007 (three months ended 30 September 2006: approximately 19.9%)

The selling and distribution expenses increased to approximately RMB37,974,000 for the nine months ended 30 September 2007 (nine months ended 30 September 2006: approximately RMB29,943,000), whereas selling and distribution expenses rose to approximately RMB13,758,000 for the three months ended 30 September 2007 (three months ended 30 September 2006: approximately RMB10,503,000). Such increase was mainly due to the expansion of the Company's overseas client base and the upsurge in more expensive international freight costs being borne by the Company as a result of increased sales and export business.

The Company's administrative expenses for the nine months ended 30 September 2007 increased, as compared to the corresponding period in the previous year, as a result of the non-recurring professional fees incurred for the proposed migration of the Company's H shares to be traded on the main board of the Stock Exchange, the overheads incurred for the Company being a listed company in Hong Kong and the increase in salaries and other staff costs for the management team in all levels so as to reward their contributions to the Company's development and growth. Such kind of expenses increased from RMB9,885,000 for the nine months ended 30 September 2006 to RMB24,890,000 for the nine months ended 30 September 2007 while the administrative expenses incurred in that respect for the three months ended 30 September 2007 were approximately RMB7,606,000 (three months ended 30 September 2006: approximately RMB3,515,000).

The Company's finance revenue for the nine months ended 30 September 2007 was approximately RMB8,971,000, representing approximately 5.5 times of that for the corresponding period in 2006 of RMB1,630,000. This was primarily attributable to the interest received for the time deposit of the unutilized listing proceeds from the listing of the H shares of the Company on GEM, the commencement of which took place on 1 December 2006 (the "**GEM Listing**"). The Company's finance costs increased by approximately 143.1% from approximately RMB5,153,000 for the nine months ended 30 September 2006 to approximately RMB12,527,000 for the nine months ended 30 September 2007, primarily as a result of the foreign exchange loss because of the appreciation of RMB when the listing proceeds from the GEM Listing were in Hong Kong dollars whereas only RMB58,000 foreign exchange loss of such nature was being recorded for the three months ended 30 September 2007.

The Company recorded net profit attributable to equity holders of approximately RMB112,047,000 for the nine months ended 30 September 2007 (nine months ended 30 September 2006: approximately RMB85,662,000). Compared to the corresponding period in the previous year, there is an increase in the net profit attributable to equity holders of approximately RMB26,385,000 or a growth of approximately 30.8%. The Company recorded net profit attributable to equity holders of approximately RMB41,497,000 for the three months ended 30 September 2007 (three months ended 30 September 2006: approximately RMB32,240,000). Compared to the corresponding period in the previous year, there is an increase in the net profit attributable to equity holders of approximately RMB9,257,000 or a growth of approximately 28.7%. The increase was primarily the result of increased sales of oil well pipes and heat processed oil well pipes with higher margins and increased economies of scale.

Operations review

For the first three quarters, the Company continued the fine-tuning of product mix and customer base while proceeding with various pin-pointing tasks including enhancing the inputs in technology upgrade and promoting cost and efficiency controls in accordance with its annual plan. Consequently, both volume and scale of production attained steady growth together with the further advancement in product mix and the gradually increasing contribution from the heat treatment and threading project. Production and operations targets have raised steadily accompanying the smooth progress in the technology upgrade project named under phase II of the 861 Action Plan to build a 300,000 tonnes high grade oil well pipe production line (the "**Phase II of the 861 Action Plan**") representing the excellent production and operations condition of the Company as a whole.

A. Enhancing research and development has cultivated a series of value added new products with the application of advanced technology

The Company continued the research and development of new products whereas approximately 49,000 tonnes of value-added high grade oil well pipes including P110 and N80 together with approximate 3,160 tonnes of oil well pipes with round and buttress thread complying to the standard of American Petroleum Institute (API) were developed and sold during the period under review. Product mix of the Company was being strengthened.

B. Promoting with technology upgrade has raised the operating efficiency and cost effectiveness of equipments

The Company has aggressively initiated the application of new know-how and skills while continuing its technology upgrade of oil well pipe production lines. Utilization rates of equipments have been increased. For the nine months ended 30 September 2007, the Company's actual sales volume of self-produced products was appromixately 186,000 tonnes (nine months ended 30 September 2006: approximately 143,000 tonnes), being an increase of approximately 43,000 tonnes or a growth of approximately 30.0% as compared to the corresponding period in the previous year. Utilization rate of production equipment was approximately 82.6%, being 19 points higher than the corresponding period in the previous year. Average production yield ratio was approximately 91.5%, being 0.9 points higher than the corresponding period in the previous year.

C. Explore overseas markets and to strengthen the export of oil well pipes

While its position in the domestic market is consolidated, the exploration of new overseas markets was emphasized. Currently, products are mainly exported to the United States of America, France, Italy, Korea, Singapore and Indonesia, etc. The Company entered into long term strategic partnership agreements with various well-known oil pipe trading companies which are positive to the market exploration and overseas sales of the Company's products. During the period, the Company recorded approximately RMB168,411,000 of export sales in total, representing approximately 14.7% to the total revenue of the Company (for the nine months ended 30 September 2006: approximately RMB40,536,000, representing approximately 4.4% to the total revenue) and representing an increase in the export sales of approximately RMB127,875,000 or a growth of approximately 315.5%, as compared to the corresponding period in the previous year. The increase in export sales has further enhanced the customer base of the Company.

During the period under review, sales to overseas market were denominated in United States dollars. The Company has placed close attention to the changes in the exchange rate between RMB and United States dollars together with those for the export tax refund policy of the country and overseas freight costs. Relevant policies concerning export product pricing and freight costs re-invoicing have been implemented to mitigate the effects of the aforementioned changes to the Company.

D. Improve the capabilities and standards of the logistics and one-stop shop services

The Company kept on strengthening logistics and one-stop shop services through the construction of new warehouse for logistics, expanding the scale of service and personalized service standard. For the nine months ended 30 September 2007, sales from sourcing and distributions were approximately 36,000 tonnes (nine months ended 30 September 2006: approximately 34,000 tonnes). One-stop shop services not only improved the speed and costs of procurement of our customers by offering all-rounded assistance, it also help to collect the most accurate and timely market information which enables the Company to better understand the needs of its customers and to adjust its product mix sensibly to meet customers demand.

E. Successful launch of advanced processing projects help realize contribution

The Company's oil well pipe heat treatment production line (with annual capacity of 100,000 tonnes) and the technology upgrade project for threading oil well pipes (with annual capacity of 100,000 tonnes) have been installed successfully, tuned, tested and launched for commercial production during the period under review. For the nine months ended 30 September 2007, sales volume of heat treated and threaded oil well pipes were approximately 49,000 tonnes and 3,160 tonnes respectively (threading production line commenced production in July 2007). Heat treated and threaded oil well pipes have further added value to the products and raised the profitability of the Company which, in turn, upgraded the product mix and the customer base of the Company.

F. Progress in the implementation of the Phase II of the 861 Action Plan

During the period under review, the Company was actively rolling out the oil well pipe technology upgrade under Phase II of the 861 Action Plan. Through appointing China International Engineering Consulting Corporation to conduct the feasibility study of the project, the Company has passed the environment impact assessment, attained fire control approval and appointed CISDI Engineering Company Limited to be its engineering subcontractor for the project. Core designs of the project have been completed and the Company has confirmed the selection of technology, know-how and equipment types which include the application of the world latest and most advanced 3-roll seamless pipe roller mill and quality control systems. The Company would make further announcement on the progress of the Phase II of the 861 Action Plan as and when necessary and in accordance with the GEM Listing Rules.

G. Smooth progress in the migration of listing venue to the main board

The Board has made an application to the relevant authority for the listing of the Company's H shares in issue on the main board of the Stock Exchange by way of introduction and, when successfully listed, the Company would withdraw voluntarily the listing of its H shares in issue on GEM. During the period under review, relevant shareholders' approval for the application has been obtained while the Company has obtained the approval in principle to the proposed listing by way of introduction from the listing committee of the Stock Exchange on 24 August 2007. The Company will make further announcement to keep the Shareholders informed of such progress in due course.

Major acquisition or disposal and significant investments

During the nine months ended 30 September 2007, the Company did not have any major acquisition or disposal and significant investments.

Human resources

The Board believes that the quality of the Company's employees is one of the most important factors for its development and growth and the enhancement of its profitability. As at 30 September 2007, the Company had 1,116 employees (as at 30 September 2006: 836 employees). The remuneration package for the Company's employees includes salaries, incentives (such as bonus based on work performance) and allowances.

Prospects

In light of the rapid development of the global economy, economic environment blossomed and oil price remained at a high level creating strong drives to crude oil exploration activities worldwide. As a result, the market demand for oil well pipes is expected to maintain its steady increasing trend. Having seriously considered the possible fluctuations in the price of steel billets in future, changes in demand and supply relationship and possible disputes on export trade, the Company intends to further strengthen its in-house research and development capability, enhance the profile and value-added of its products, improve the utilization and efficiency of production equipments, reinforce the development of domestic and overseas markets and enhance the scale and level of one-stop shop services, upgrade scientific management tactics and internal cost controls, promote customer base, together with taking more active posture to possible cooperation, merger and acquisition in the industry, in order to fortify the Company's own competitive advantages. It is expected to continue generating fruitful returns to the shareholders.

A. Enhance operation efficiency through technology upgrade, research and development and better management

The Company will promote the efficiency of production equipment and increase production volume through enhancing its capabilities in operating advanced production facilities and technology upgrade to achieve optimal production parameters. The Company strives to accomplish annual self-production volume of 260,000 tonnes in 2007 given there will be no material adverse changes to the internal and external environment in which the Company operates. The production capacity for 2008 is expected to reach 350,000 tonnes per annum while the heat treatment and threading projects are fully up and running.

The Company will continue its market oriented strategy and fully utilize its in-house research and development resources. It is also expected to further enhance the excellent joint research and development arrangements with Tubular Goods Research Center of China National Petroleum Corporation and Special Steel Branch Co. of Baoshan Iron and Steel Company Limited and exploring cooperation opportunities with overseas players in the industry. More extensive development for new products will be launched including anti-corrosion, pressure and collapse resistant, non-quenched and tempered steel oil well tubing products in order to raise the proportion of high value-added and advanced technology embedded products. It is expected that the production volume of high grade oil well pipe will increase steadily in 2007 and 2008.

B. Expand export sales and optimize customer base

The Company intends to boost the development of its overseas markets while maintaining steady growth in its domestic market with major oil fields. The continual development of potential markets in the Middle East, Africa and South America will be enhanced while the existing markets will also be consolidated so as to scale down the risk of trade disputes., It is projected that export sales may reach approximately 18% and 25% to total revenue of the Company in 2007 and 2008 respectively and may have multiple growth in the coming three to five years given there will be no material adverse changes to the internal and external environment in which the Company operates.

C. Keep up the edge of one-stop shop services

Relying on the strategic advantage of direct sales and one-stop shop service, the Company can have close watch to all changes in the market whereas market information of best selling products and high margin products can be gathered and our production will be more market oriented. Wider customer base could be built through the provision of one-stop shop service which, in turn, help to build a concrete foundation for the Company’s increased production capacity and upgraded product mix in future. Sourcing and distribution capability will keep on improving and expanding.

D. Phase II of the 861 Action Plan

The Company will continue implementing Phase II of the 861 Action Plan and endure to attain good engineering works, timely and high quality equipment construction with proper staff training. According to the implementation plan, it is scheduled to commence production in late 2009 with its annual production capacity of 300,000 tonnes high grade oil well pipe. By then, it is expected that the overall production capacity of the Company will reach 650,000 tonnes per annum. It is expected that full utilization can be achieved by 2010. With the application of the technologically advanced 3-roll seamless pipe roller mill, it is expected to further increase production capacity and to realize further breakthrough in production volume through the enhancement in research and development and the improvement in the Company’s capability to operate production facilities.

The estimated investment of Phase II of the 861 Action Plan would be financed by a combination of the proceeds from the international placing in December 2006 specially earmarked for such purpose, internal resources and/or bank borrowings. The project aims at producing high grade oil well pipes with anti-corrosion, pressure and collapse resistant features which can be used in harsher geological condition and complicated oil and gas contents for deep well drilling with a depth of over 3,000 metres and offshore drilling.

E. Actively identify merger, acquisition and other cooperation opportunities

The Company will keep monitoring changes among upstream and downstream players in the oil well pipe and other seamless pipes industry while aggressively indentifying domestic and overseas partners for possible merger and acquisition and other cooperation.

F. Enhance corporate image in capital markets

Through the proposed migration of the Company's H shares to be traded on the main board of the Stock Exchange, the Company would procure more support from domestic and international investors and enhance its corporate image at the same time to better utilize the advantages of domestic and international capital markets.

DIRECTORS' AND SUPERVISORS' INTERESTS IN A COMPETING BUSINESS

For the nine months ended 30 September 2007, the Directors are not aware of any business or interest of the Directors, the supervisors, the management shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete (directly or indirectly) with the business of the Company and any other conflicts of interests which any such person has or may have with the Company.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by Somerley Limited, the Company's compliance adviser, for the nine months ended 30 September 2007, neither Somerley Limited nor its directors or employees or associates had any interests in the share capital of the Company.

Pursuant to an agreement dated 9 October 2006 entered into between Somerley Limited and the Company, Somerley Limited received and will receive fees for acting as the Company's compliance adviser.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not purchased, sold or redeemed any of its listed securities during the nine months ended 30 September 2007.

AUDIT COMMITTEE

In compliance with Rules 5.28 to 5.29 of the GEM Listing Rules, the Company established an audit committee with written terms of reference. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Company and provide advice and comments to the Board. The audit committee comprises two independent non-executive Directors, Mr. Zhao Bin and Mr. Wu Chang Qi and one non-executive Director Mr. Zhang Jian Huai. Mr. Zhao Bin is the chairman of the audit committee.

The audit committee has reviewed the Company's unaudited results for the three months ended 30 September 2007 and the nine months ended 30 September 2007 and the relevant comparative figures and is of the opinion that the preparation of those results has complied with the applicable accounting standards and requirements as adopted in the audited financial statements for year 2006 and that adequate disclosures have been made.

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, 8 November 2007

As at the date of this announcement, the Board comprises three executive Directors: Mr. Ye Shi Qu, Mr. Zhang Hu Ming and Mr. Xie Yong Yang; two non-executive Directors: Mr. Zhang Jian Huai and Mr. Liu Peng; and three independent non-executive Directors: Mr. Wu Chang Qi, Mr. Zhao Bin and Mr. Li Chi Chung.

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.