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)

DISCLOSEABLE TRANSACTION
ACQUISITION OF NEW PRODUCTION EQUIPMENT

The Directors wish to announce that, on 9 November 2007, the Company entered into the Contract with the Seller, an Independent Third Party, to purchase the New Production Equipment and related services for an aggregate consideration of EURO15,000,000 (equivalent to approximately HK$171,870,000) for the Project in order to produce high grade oil well pipes by the end of 2009 and increase the Company's total annual production capacity by 300,000 tonnes.

The Acquisition constitutes a discloseable transaction for the Company under the GEM Listing Rules. A circular containing, among other things, details of the Acquisition will be sent to shareholders of the Company in accordance with the GEM Listing Rules.

THE CONTRACT

Date: 9 November 2007

Parties:

(a) the Company, as the buyer; and

(b) SMS Meer GmbH, as the seller. To the best of the Directors' knowledge and belief, the Seller and its beneficial owners are Independent Third Parties and not connected persons (as such term is defined in the GEM Listing Rules) of the Company and its subsidiaries. As at the date of this announcement, the Company does not have any subsidiary.

The Contract provides for the Seller to sell to the Company the New Production Equipment, together with installation, requisite spare parts, training and related services.

Conditions: The Contract is conditional upon:

(a) issue of a statement by the Company confirming receipt of all authorizations as may be required from the relevant authorities in the PRC, in respect of the Contract and transactions contemplated thereunder;

(b) issue of a statement by the Seller confirming receipt of all authorizations as may be required from the relevant authorities in Seller's country or that such authorization is not necessary and statement that it has received the final approval from Export Credit Insurance Agency, in respect of the Contract and transactions contemplated thereunder; and

(c) receipt by the Seller of the Down Payment.

None of the conditions have been fulfilled as at the date of this announcement.

In the event that the Conditions are not be satisfied within two months from the date of Contract, the parties shall consult each other in order to reach a mutual agreement within one month thereafter. If no agreement could be reached by that time, either party shall have the right to cancel the Contract and in such case neither party shall raise any claim against the other.

Consideration: The Consideration payable under the Contract is EURO15,000,000 (equivalent to approximately HK$171,870,000), and is determined by reference to market prices of similar equipment. This is payable as follows:

(a) the Down Payment, being EURO1,368,200 (equivalent to approximately HK$15,677,000), shall be payable within 30 days after the receipt by the Company of certain documentation (including an irrevocable letter of guarantee issued by a European prime bank for the Down Payment in favour of the Buyer and other export documents) from the Seller;

(b) within 60 days after signing of the Contract, the Company shall procure for the Seller to be issued with an irrevocable letter of credit ("Letter of Credit") in the amount of EURO12,313,800 (equivalent to approximately HK$141,092,000) in the form prescribed in the Contract. Pursuant to the terms of the Letter of Credit:

(i) EURO9,851,040 (equivalent to approximately HK$112,873,000) shall be payable against presentation of documents against equipment deliveries; and

(ii) EURO2,462,760 (equivalent to approximately HK$28,219,000) shall be payable against presentation of some other documents, which the parties expect would not be presented before 1 May 2009; and

(c) within 30 days after Seller's presentation of the tax clearance certificate issued by tax bureau of the PRC, the Company shall procure for the Seller to be issued with an irrevocable letter of credit ("2nd Letter of Credit") in the amount of EURO1,318,000 (equivalent to approximately HK$15,101,000) in the form prescribed in the Contract. Pursuant to the terms of the 2nd Letter of Credit:

   (i) EURO352,000 (equivalent to approximately HK$4,033,000) shall be payable against presentation of some documents, the first half of which is expected to be presented after 1 March 2008; and

   (ii) EURO966,000 (equivalent to approximately HK$11,068,000) shall be payable against presentation of some other documents.

The parties to the Contract expect that all of the Consideration will be totally settled within twenty-nine months after the Contract has become effective although certain performance and warranty related guarantees may last beyond the scheduled last payment date.

The Contract was entered into in the ordinary and usual course of business of the Company and the Consideration was agreed after arms' length negotiations. The Acquisition will be financed by a combination of the proceeds from the Company's international placing of shares when it was first listed on the Stock Exchange in December 2006, internal resources and/or bank borrowings. To the extent that the Acquisition will be financed by proceeds from the above international placing, the use of such proceeds for the Acquisition is consistent with its original intended use.

The Directors are of the view that the terms of the Contract are fair and reasonable and the Acquisition under the Contract is made in the interest of the Company and its shareholders as a whole.

INFORMATION ON THE SELLER

The Seller is an internationally recognized manufacturing enterprise principally engaged in the development and manufacturing of equipment and production facilities for the production of steel pipe, shaped steel and nonferrous metals and for the forging industry. The 2-roll seamless pipe roller miller designed by the Seller has been widely-used by and in the production industry over the years. The New Production Equipment to be supplied by the Seller pursuant to the Contract is the most advanced 3-roll seamless pipe roller miller, employing the Premium Quality Finishing PQF® technology, which could enhance productivity and reliability. Based on information from the Seller, their 3-roll seamless pipe roller mill has been used by a leading manufacturer in the PRC for almost two years since it was launched in 2006.

INFORMATION ON THE COMPANY AND REASONS FOR THE ACQUISITION

The Company has more than 14 years of experience in manufacturing specialized seamless pipe and is principally engaged in the design, production and sales of oil well (mainly oil transfer pipes and casing pipes etc.) and petrochemical pipes, as well as other specialized seamless pipes including vessel pipes and boiler pipes. Major customers of the Company are various major oil fields and trading companies which supplied oil well pipe products, large ship-builders, petrochemical companies and boiler manufacturing enterprises. One of the Company's overall business objectives is to improve product mix, upgrade high value-added products and increase production capacity through technical improvement, merger and acquisition or establishment of new production lines for new high-end products.

The Acquisition will result in the installation of the New Production Equipment to form the core part of the new production line under the Project. It is expected that, once the new production line under the Project is in commercial production, the Company's annual production capacity will be able to increase to 650,000 tonnes by the end of 2009 and, the more important part is that, it will enhance the product mix of the Company's high value-added products. The New Production Equipment can produce 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. Consequently, the Company's competitiveness in both domestic and foreign markets would thereby be enhanced.

GENERAL

As the percentage ratio in respect of the Consideration to be paid by Company under the Contract exceeds 5% but is less than 25% of the applicable five tests under Chapter 20 of the GEM Listing Rules, the transaction under the Contract constitutes a discloseable transaction for the Company under the GEM Listing Rules. A circular containing, among other things, further details of the Contract will be despatched to the shareholders of the Company in accordance with the GEM Listing Rules.

DEFINITIONS

"Acquisition"	the acquisition of the New Production Equipment, together with installation, requisite spare parts, training and related services pursuant to the Contract
"Company"	Anhui Tianda Oil Pipe Company Limited
"connected person"	has the meaning ascribed to it under the GEM Listing Rules

"Consideration"	EURO15,000,000 (equivalent to approximately HK$171,870,000), being the total consideration payable by the Company for the Acquisition pursuant to the Contract
“Contract”	the contract dated 9 November 2007, entered into between the Company and the Seller in relation to the Acquisition
"Director(s)"	the director(s) of the Company
"Down Payment"	EURO1,368,200 (equivalent to approximately HK$15,677,000), as part of the Consideration
"EURO"	Euro dollars, a currency measure of most European Union countries. For the purpose of this announcement, EURO have been converted to HK$ as to 1 EURO to HK$11.458. No representation is made that such amounts were or could be exchanged at this rate
“HK$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) who is/are independent and not connected persons of the Company and its subsidiaries. As at the date of this announcement, the Company does not have any subsidiary.
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“New Production Equipment”	an advanced new seamless pipe roller miller employing the Premium Quality Finishing PQF® technology with a design capacity of up to 300,000 tonnes per annum, being one of the core equipment for the new production line to be established under the Project
“PRC”	the People's Republic of China
“Project”	phase II of the Company’s technology upgrade project recognized under the 861 Action Plan for the construction of a new high grade oil well pipes production line
"Seller"	SMS Meer GmbH, a company incorporated in Germany and an Independent Third Party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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, PRC, 9 November 2007

As at the date of this announcement, the board of Directors 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, 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 enquires, 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.

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.