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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Anhui Tianda Oil Pipe Company Limited**, you should at once hand this circular to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or the other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

DISCLOSEABLE TRANSACTION

ACQUISITION OF NEW PRODUCTION EQUIPMENT

A letter from the Board is set out on pages 3 to 8 of this circular.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for a minimum period of seven days from the date of publication.

23 November 2007

CHARACTERISTICS OF GEM

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 of the Stock Exchange 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 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.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
1. Introduction	3
2. The Contract	4
3. Information on the Seller	7
4. Information on the Company and reasons for the Acquisition	7
5. Additional information	8
Appendix — General information	9

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“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 persons”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	EURO 15,000,000 (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”	EURO 1,368,200 (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 circular, 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
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons

DEFINITIONS

“Latest Practicable Date”	19 November 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Seller”	SMS Meer GmbH, a company incorporated in Germany and an Independent Third Party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company

LETTER FROM THE BOARD



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)

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

Zhao Bin

Li Chi Chung

Registered address:

Zhenxing Road

Tongcheng Town

Tianchang City

Anhui Province

the PRC

Principal place of business

in Hong Kong:

Room 2906

China Online Centre

333 Lockhart Road

Wanchai

Hong Kong

23 November 2007

To the shareholders of the Company

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

ACQUISITION OF NEW PRODUCTION EQUIPMENT

1. INTRODUCTION

By an announcement dated 9 November 2007, the Company announced that it 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.

LETTER FROM THE BOARD

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.

The purpose of this Circular is to provide you with, among other things, further information in relation to the Acquisition.

2. 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, information and belief having made all reasonable enquiries, the Seller and its beneficial owners are Independent Third Parties.

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.

LETTER FROM THE BOARD

None of the conditions has been fulfilled as at the Latest Practicable Date.

In the event that the Conditions are not satisfied within two months from the date of the 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

LETTER FROM THE BOARD

- (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 the Company 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 originally intended use. To the extent internal resources are used to finance the Acquisition, there will be no change in the assets of the Company as decrease in the assets attributable to decrease in internal resources will be matched by a corresponding increase in the Company's fixed assets. To the extent bank borrowings are used to finance the Acquisition, there will be an increase in the Company's liabilities which are matched by a corresponding increase in the Company's assets. The Acquisition is not expected to have any significant impact on the Company's earnings but, once the New Production Equipment commences production, it is expected to increase the earnings of the Company.

LETTER FROM THE BOARD

3. 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 pipes, 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 production 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.

4. INFORMATION ON THE COMPANY AND REASONS FOR THE ACQUISITION

The Company has more than 14 years of experience in manufacturing specialized seamless pipes and is principally engaged in the design, production and sales of oil well pipes (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 and the planned technological upgrades of the Company's existing production lines are completed, 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.

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.

LETTER FROM THE BOARD

5. ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendix to this Circular.

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

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. DISCLOSURE OF INTERESTS**(i) Directors', Supervisors' and chief executive's interests in shares, underlying shares and debentures of the Company and its associated corporations**

At as the Latest Practicable Date, the interest or short positions of the Directors, Supervisors or chief executive of the Company in the shares, debentures or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long position

Name of company	Name of Director or Supervisor	Capacity	Nature of interest and number of shares/ amount of capital contribution (RMB)		Total number of shares/ Total amount of capital contribution	Percentage holding of shares/ interest in the registered capital of the relevant associated corporation	Approximate percentage of the total issued share capital of the Company
			Personal Interests	Corporate Interests			
Company	Ye Shi Qu	Interest in controlled corporation (Note 1)	—	340,000,000 domestic shares	340,000,000 domestic shares	—	67.0%
Anhui Tianda Enterprise (Group) Company Limited (“Tianda Holding”)	Ye Shi Qu	Beneficial owner	RMB174,012,800	—	RMB 174,012,800	74.5%	—
Anhui Tianda Investment Company Limited (“Tianda Investment”)	Ye Shi Qu	Interests in controlled corporation (Note 2)	RMB50,000,000	—	RMB50,000,000	100.0%	—
Tianda Holding	Zhang Hu Ming	Beneficial owner	RMB9,166,700	—	RMB9,166,700	3.9%	—
Tianda Holding	Xie Yong Yang	Beneficial owner	RMB7,367,250	—	RMB7,367,250	3.2%	—
Tianda Holding	Zhang Jian Huai	Beneficial owner	RMB35,000	—	RMB35,000	0.015%	—
Tianda Holding	Liu Jun Chang	Beneficial owner	RMB3,150,000	—	RMB3,150,000	1.3%	—
Tianda Holding	Yong Jin Gui	Beneficial owner	RMB8,217,500	—	RMB8,217,500	3.5%	—

Notes:

1. Pursuant to the SFO, as Ye Shi Qu holds 74.5% of the equity interest in Tianda Holding and as Tianda Investment is a wholly-owned subsidiary of Tianda Holding, Ye Shi Qu is deemed to be interested in all of the 272,000,000 domestic shares held by Tianda Holding and 68,000,000 domestic shares held by Tianda Investment.
2. Pursuant to the SFO, as Ye Shi Qu holds 74.5% of the equity interest in Tianda Holding and as Tianda Investment is a wholly-owned subsidiary of Tianda Holding, Ye Shi Qu is deemed to be interested in 100% of the registered capital of Tianda Investment.

Other than as disclosed above, none of the Directors, the Supervisors and chief executives of the Company nor their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company and any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules as at the Latest Practicable Date.

(ii) Directors' and Supervisors' service contracts

Each of the executive Directors, non-executive Directors and Supervisors has entered into a service contract with the Company for an initial term of three years commencing from 1 December 2006 (save for Li Chi Chung whose term of his directorship commenced on 15 October 2007). These contracts are only determinable by the Company upon occurrence of certain conditions as set out in these contracts or upon expiry of these contracts.

Other than as disclosed above, none of the Directors or Supervisors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

(iii) Directors' and Supervisors' interests in competing business

As at the Latest Practicable Date, none of the Director and Supervisors or any of their respective associates had any interest in a business, which competes or may compete with the business of the Company.

(iv) Substantial shareholders and other persons' interests and short positions in shares and underlying shares of the Company

So far as the Directors or chief executive of the Company are aware, as at Latest Practicable Date, the following persons had an interest or short position in the shares, debenture or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which is required, pursuant to section 336 of the SFO, to be entered in the register referred to therein or any option in respect of such capital:

Name	Capacity	Class of shares	Number of shares	% of total number of the relevant class of shares	% of total number of issued shares
Tianda Holding	Beneficial owner	Domestic shares	272,000,000 (L)	80.0%	53.6%
	Interests in controlled corporation (<i>Note 2</i>)	Domestic shares	68,000,000 (L)	20.0%	13.4%
Tianda Investment	Beneficial owner	Domestic shares	68,000,000 (L)	20.0%	13.4%
Ye Shi Qu (<i>Note 2</i>)	Interests in controlled corporations	Domestic shares	340,000,000 (L)	100.0%	67.0%
Hillhouse Capital Management, Ltd.	Interests in controlled corporations	H shares	25,180,000 (L)	15.0%	5.0%
Baring Asset Management Limited	Investment manager	H shares	19,908,000 (L)	11.9%	3.9%
Northern Trust Fiduciary Services (Ireland) Limited	Trustee	H shares	19,686,000 (L)	11.7%	3.9%
GLHH Fund II L.P.	Beneficial owner	H shares	16,825,000 (L)	10.0%	3.3%
Lloyd George Investment Management (Bermuda) Limited	Investment manager	H shares	12,112,000 (L)	7.2%	2.4%
Credit Agricole Asset Management	Interests in controlled corporation	H shares	10,212,000 (L)	6.1%	2.0%
Gaoling Fund, L.P.	Beneficial owner	H shares	8,787,000 (L)	5.2%	1.7%
Credit Agricole Asset Management Hong Kong Limited	Investment manager	H shares	8,434,000 (L)	5.0%	1.7%
Wasatch Advisors, Inc.	Investment manager	H shares	8,385,000 (L)	5.0%	1.7%

Note 1: “L” refers to the long position in the shares in the Company held by such person/entity.

Note 2: Pursuant to the SFO, as Ye Shi Qu holds 74.5% of equity interest in Tianda Holding and as Tianda Investment is a wholly-owned subsidiary of Tianda Holding, Ye Shi Qu is deemed to be interested in all of the 272,000,000 domestic shares held by Tianda Holding and 68,000,000 domestic shares held by Tianda Investment.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any person (other than the Directors, Supervisors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

3. LITIGATION

As at the Latest Practicable Date, the Company was not engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance known to the Directors was pending or threatened by or against the Company.

4. MISCELLANEOUS

- (i) The company secretary and qualified accountant of the Company is Mr. Ho Kin-cheong, Kelvin. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (ii) The compliance officer of the Company is Mr. Zhang Hu Ming, a Director.
- (iii) The Company established an audit committee on 24 July 2006 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Company and provide advice and comments to the board of Directors.

The audit committee has three members comprising the two independent non-executive Directors and one non-executive Director, namely Zhao Bin, Wu Chang Qi and Zhang Jian Huai. Zhao Bin is the chairman of the audit committee. Biographical details of members of the audit committee are as follows:

Zhao Bin, aged 42. Zhao Bin is a PRC registered accountant and a PRC registered valuer. Zhao Bin was appointed as an independent non-executive Director in July 2006. Zhao Bin is the shareholder, deputy chief accountant and deputy general manager of Beijing Zhongxing Xinshizi Accounting Firm. Between 1996 and 2002, Zhao Bin was engaged by the auditing and valuation department at Anhui Huapo Accounting Firm, Jinhai Branch. Zhao Bin has also been engaged in the teaching and academic research of accounting, auditing, financial management and securities investment at Anhui Polytechnic University. In 1991, Zhao Bin was awarded a master degree by Anhui Polytechnic University

(formerly known as Huinan Mining College). Between March 2002 and 2006, Zhao Bin was engaged in doctoral research at the China Mining University in Beijing. The Directors believe the Company benefits from Zhao Bin's extensive experience in the auditing and establishment of financial management, internal control and risk management for companies and his over 15 years of experience in these areas. The Board considers Zhao Bin has the appropriate professional qualification or expertise in accounting and financial management and is an appropriate candidate for being independent non-executive Director. He was appointed as an independent non-executive Director in July 2006.

Wu Chang Qi, aged 71. He is the president of the Assembly for Association of Business Management and the Association of Entrepreneur of Anhui Province, Honorary Chairman of University of Anhui and Anhui Province International Entrepreneur Exchange Association and as such, he is very knowledgeable in the area of enterprise management. Wu Chang Qi has over 40 years of experience in the area of enterprise management for he has been appointed to take up roles in various governmental departments of different levels since 1980. Wu Chang Qi was a member to the sixth, eighth and ninth Provincial People's Congress and a member to the 12th Communist Party's National Congress. He graduated from Hangzhou Civil Engineering College. The Directors believe Wu Chang Qi's experience with the regulatory environment and enterprise management can assist the Board to evaluate business opportunities from the management perspective. He was appointed as an independent non-executive Director in June 2006.

Zhang Jian Huai, aged 38. He is a non-executive Director and has been working in the finance and accounting industries for many years and with over 14 years of experience in financial practices and operation. Since 2005, he has been the deputy financial controller of Tianda Holding. Zhang Jian Huai graduated from the Institute of Chinese Communist Party with a bachelor degree in economics management. Since August 2007, Zhang Jian Huai has been the chairman of the supervisory committee of Konka Group Co., Ltd., a company listed on The Shenzhen Stock Exchange which is engaged in the business of customer electronics. Zhang Jian Huai was appointed as a Director in April 2006 and has been involved in the Company's business since October 2005 (when it was then operated by one of the Company's predecessors). The Directors believe the Company benefits from Zhang Jian Huai's financial and accounting experience and, in particular, his contributions as a member of the Company's audit committee to review and analyse the Company's financial statements and accounts.

- (iv) In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.