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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 : 839

**PROPOSED BONUS ISSUE OF SHARES
PROPOSED SHARE CONSOLIDATION;
PROPOSED APPLICATION FOR ISSUE OF A SHARES IN THE PRC;
PROPOSED AMENDMENTS OF THE ARTICLES OF ASSOCIATION;
CHANGE OF BOARD LOT
AND
PROPOSED ADOPTION OF THE INDEPENDENT DIRECTORS
RULES AND THE PROCEDURAL RULES**

PROPOSED BONUS ISSUE

The Board of Directors proposed to convert a sum of RMB126,892,500 in the Company's reserve fund into 253,785,000 shares of nominal value of RMB0.50 each. On the basis of the issued share capital of 507,570,000 shares as at the end of 2007, shareholders will be offered additional 5 ordinary shares for every 10 ordinary shares they hold as a bonus issue.

PROPOSED SHARE CONSOLIDATION

The Board proposed to apply to CSRC and the Relevant Authorities for issue of A Shares of RMB0.50 each. At the same time, the Board also proposes that if required by the relevant laws, rules and regulations and the Relevant Authorities, the Company will effect Share Consolidation.

Investors should note that the Share Consolidation, even if approved by the Shareholders, may or may not proceed, depending on the request of the Relevant Authorities in relation to the proposed A Share Issue.

PROPOSED APPLICATION FOR ISSUE OF A SHARES

The Board has resolved that the Company would apply to the CSRC for the issue of a maximum of 135 million A Shares of RMB0.50 each or 67.5 million A Shares of RMB1.00 each.

PROPOSED AMENDMENTS OF THE ARTICLES OF ASSOCIATION

To accommodate the A Share Issue, the Company will, when proceeding with the A Share Issue, make proposed amendments of the Articles of Association in compliance with all relevant and applicable PRC legal and regulatory requirements. It is expected that the proposed amendments will become effective upon completion of the A Share Issue.

PROPOSED ADOPTION OF THE INDEPENDENT DIRECTORS RULES, CONNECTED TRANSACTION DECISION POLICY AND THE PROCEDURAL RULES

Pursuant to the relevant laws, rules and regulations and the requirements of CSRC, the Company has proposed to adopt the independent director rules to regulate the appointment, election, powers, duties and responsibilities of the independent directors and to adopt the Procedural Rules for the meeting of the Shareholders, the Board and supervisory committee of the Company to regulate the functions, powers of, and the procedures for such relevant meetings.

- (i) The proposed conditional Share Consolidation, is subject to approval by way of ordinary resolution by the Shareholders at the AGM and the separate class meetings,
- (ii) the A Share Issue is subject to approval by way of special resolution by the Shareholders at the AGM and the separate class meetings,
- (iii) the proposed amendments of the Articles of Association and the proposed adoption of the Procedural Rules are subject to approval by way of special resolutions by the Shareholders at the AGM
- (iv) the proposed adoption of the independent directors rules are subject to approval by way of ordinary resolution by the Shareholders at the AGM and the obtaining of any approval, endorsement or registration (as applicable) from or with the Relevant Authorities, and
- (v) the proposed adoption of the Connected Transaction Decision Policy (關聯交易決策制度) are subject to approval by ways of ordinary resolutions by the Shareholders at the AGM

The notice of the AGM and the separate class meetings, its reply slip and the proxy form, together with the circular of the Company, will be issued by the Company and despatched to its Shareholders as soon as practicable.

As the A Share Issue will be subject to regulatory and shareholder approval, the A Share Issue may or may not proceed. Investors should therefore exercise caution when dealing in the H Shares.

SHARE CONSOLIDATION

Share Consolidation

The Board proposed that if required by the relevant laws, rules and regulations and the Relevant Authorities, the Company will effect Share Consolidation in order to facilitate the A Share Issue. Should Share Consolidation be proceeded with, (i) every two issued H Shares of RMB0.50 each will be consolidated into one Consolidated H Share of RMB1.00 each and (ii) every two issued Domestic Shares of RMB0.50 each will be consolidated into one Consolidated Domestic Share of RMB1.00 each. As a result, every two issued Shares of RMB0.50 will be consolidated into one Consolidated Share of RMB1.00 on the Effective Date. As at the date of this announcement, the registered share capital of the Company is RMB253,785,000 comprising 340,000,000 Domestic Shares and 167,570,000 H Shares of RMB0.50 each, of which all of them are in issue and fully paid.

By way of illustration purpose only, assuming the proposed bonus issue of shares (details of which are set out below in the paragraph headed “Proposed Bonus Issue of Shares”) is not implemented and that the Company does not allot and issue any further Shares prior to the Effective Date, the registered share capital of the Company will remain at RMB253,785,000 but will comprise 170,000,000 Consolidated Domestic Shares of RMB1.00 each and 83,785,000 Consolidated H Shares of RMB1.00 each in which all of them are in issue and are fully paid on the Effective Date.

The estimated number of the Consolidated Shares on the Effective Date is based on the assumption that there is no further issue of Shares before the Effective Date. In the event that the Company may issue further Shares (whether by way of the capitalization issue or other methods) prior to the Effective Date, the estimated number of the Consolidated Shares will be changed and disclosed by way of an announcement in due course.

As at the date of this announcement, the Company has no outstanding options, warrants, convertible notes, derivative or other securities convertible into or exchangeable for the Shares.

Effects of the Share Consolidation

Should Share Consolidation be proceeded with, the issued Consolidated Shares will rank pari passu in all respects with each other.

Other than the relevant expenses incurred, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Company, nor will they alter the underlying assets, business, operation, management or financial position of the Company or the interests and relative rights of the Shareholders, save that the Shareholders will not have any entitlement to fractions of the Consolidated Shares. The Directors believe that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

Application for Listing

Should the Share Consolidation be implemented, an application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consolidated H Shares in issue upon the Share Consolidation taking effect. All necessary arrangements will be made for the Consolidated H Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.

Reasons for the Share Consolidation

It is the practice that A shares listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange are at a par value of RMB1.00 each. However, the Board proposes to apply to CSRC and the Relevant Authorities for issue of A Shares of RMB0.50 each.

At the same time, the Board also proposes that if required by the relevant laws, rules and regulations and the Relevant Authorities, the Company will effect Share Consolidation in order to facilitate the A Share Issue. The Board proposes to put forward for approval by the Shareholders pursuant to which the Board is authorized to decide (by reference to the relevant laws, rules and regulations and the request of the Relevant Authorities) whether to effect the Share Consolidation on the following terms and conditions.

The proposed Share Consolidation may be required to facilitate the implementation of the A Share Issue, because the nominal value for A shares currently listed and traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange are at a par value of RMB1.00 each. Accordingly, the Directors are of the view that the Share Consolidation if required by the relevant laws, rules and regulations and the Relevant Authorities is beneficial to the Company and the Shareholders as a whole.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:-

- (1) the Board resolutions approving the implementation of the Share Consolidation as authorized by the Shareholders by way of a special resolution at the AGM and the separate class meetings;
- (2) consent obtained from the CSRC regarding the proposed Share Consolidation and the A Share Issue of A Shares of RMB1.00 each should CSRC require issue of A Shares of RMB1.00 each rather than RMB0.50 each;
- (3) the Listing Committee granting approval for the listing of, and permission to deal in, the Consolidated H Shares.

Expected Effective Date of the Share Consolidation

The Share Consolidation is subject to the above conditions. The Company is unable to ascertain the exact date of satisfying the above conditions (in particular in relation to conditions 2 and 3) at this stage, the actual Effective Date of the Share Consolidation cannot be determined as at the date of this announcement.

Once the details of the arrangement and the expected timetable with regard to the parallel trading arrangements, the free exchange of Consolidated Share certificates and other matters relating to the Share Consolidation are finalized, the Company will make further announcement as soon as practicable.

For indicative purpose, the Company proposes that the Effective Date will be the 7th Trading Day from the grant of the CSRC's approval regarding the proposed Share Consolidation and the A Share Issue.

Investors should note that the Share Consolidation, even if approved by the Shareholders, may or may not proceed, depending on the view of the Relevant Authorities. It is expected that the Company will not implement the Share Consolidation, if approved by the Shareholders, unless required by the Relevant Authorities for the shares under the A Share Issue to be in nominal value of RMB1.00 each. The Company will make further announcement if it becomes clearer whether the Share Consolidation is required to facilitate the proposed A Share Issue.

A SHARE ISSUE

The Company intends to apply to CSRC for the allotment and issue of not more than 135 million shares of the Company of nominal value RMB0.50 each or 67.5 million shares of nominal value RMB1.00 each to institutional and public investors in the PRC and the A Shares under the public subscription tranche are proposed to be listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange in the PRC. At present, the H Shares of the Company are listed on the HKSE. As the application for the proposed A Share Issue requires approvals from Relevant Authorities and Shareholders, subject to these constraints the Company expects to submit its application to CSRC in mid 2008. The proposed A Share Issue is expected to be fully underwritten by the PRC sponsor to the A Share Issue.

Structure of A Share Issue

The proposed structure of the A Share Issue is set out below:

- (1) Type of securities to be issued: RMB denominated ordinary shares.

- (2) Number of A Shares to be issued: not more than 135 million shares of the Company of nominal value RMB0.50 each or 67.5 million shares of nominal value RMB1.00 each. Should the capital structure of the Company changes as a result of the proposed bonus issue of shares by way of capital conversion prior to the proposed A Share Issue, the Board shall be authorized to adjust the number of A Shares to be issued accordingly. On the basis that shareholders will be offered additional 5 ordinary shares for every 10 ordinary shares they hold as a bonus issue, the A Shares to be issued shall be not more than 202.5 million shares of nominal value RMB0.50 each or 101.25 million shares of nominal value RMB1.00 each.
- (3) Nominal value: RMB0.50 or RMB1.00 per share (depending on the approval of the Relevant Authorities).
- (4) Target subscribers: any natural persons and institutional investors with A share accounts at Shanghai Stock Exchange or Shenzhen Stock Exchange, (except those prohibited by the PRC laws and regulations). The target subscribers are expected to be third parties independent of the Company and its connected persons (as defined in the Listing Rules) as such is expected to be a term of the offer.
- (5) Method of issue: the proposed A Share Issue shall be conducted via placement through offline offering to individuals or institutional investors if approved by CSRC, placement through online subscription at the issue price, or other method as approved by CSRC.
- (6) Stock Exchange where shares are applied to list: Shanghai Stock Exchange or Shenzhen Stock Exchange in the PRC.

(7) Rights attached to A Share: the A Shares, except as otherwise provided for in the applicable laws, rules and regulations and the Articles of Association, will rank pari passu in all respects with the Domestic Shares and H Shares. Once the A Share Issue is completed, both new and existing Shareholders will be entitled to share the accumulated retained earnings at the time of the issue of A Shares.

For the avoidance of doubt, the holders of the A Shares will not be entitled to any dividends declared prior to the issue of A Shares.

(8) Issue price and pricing process: The issue price will be determined on the basis of market conditions, the condition prevailing in the PRC securities market at the time of the proposed A Share Issue by way of customary market consultation and/or bookbuilding and such other ways as approved by the Relevant Authorities and/or the equivalent authorities in Hong Kong. The final issue price and pricing process shall be determined by the Board, as proposed to be authorised at the AGM. The amount of funds to be raised from the proposed A Share Issue cannot be confirmed as of the date of this announcement but the offer price is currently expected to be not lower than 90% of the higher of (i) the average closing price of the Company's Consolidated H Shares or H Shares (as the case may be) on the Stock Exchange for the 20 trading days preceding the date of the Company's A Share prospectus or (ii) the closing price of the Company's Consolidated H Shares or H Shares (as the case may be) on the Stock Exchange on the trading day immediately preceding the date of the Company's A Share prospectus. Such minimum price may be varied depending on, amongst other factors, the views of the Relevant Authorities.

- (9) Issuance period: The issuance period shall be fixed by the Board and the lead underwriter as confirmed in the approval granted by the CSRC.
- (10) Validity period for implementing issuance of additional A Shares: One year commencing from the date of passing of the resolution relating to the proposed issue of A Shares at the AGM.
- (11) Use of proceeds: The proceeds from the proposed A Share Issue is expected to be utilised for the purpose of enhancing the advanced processing of the Company's products as well as expanding its market network. Part of the proceeds will be used in the product research and development area, technology improvement projects such as energy saving and reduction of emission, as well as general working capital (as the case may be).

The Board intends to apply the net proceeds from the proposed A Share Issue as follows:

- as to approximately RMB900 million for the implementation of the threading and heat treatment advanced processing projects with annual processing capacity amounting to 300,000 tonnes for each of these projects.
- as to approximately RMB110 million for the construction of a storage center with annual distribution capacity up to 100,000 tonnes;
- as to approximately RMB20 million for product research and development; and
- approximately RMB40 million for the implementation of technology improvement projects such as energy saving and reduction of emission.

The proceeds obtained from the proposed A Share Issue (after deducting the administrative costs in relation to the Proposed A Share Issue) shall be used to facilitate the above mentioned projects first. To the extent that the net proceeds from the Proposed A Share Issue are higher than the above, the net proceeds in excess of the amount required for the above projects shall be used as general working capital. To the

extent that the net proceeds from the Proposed A Share Issue are not sufficient to fund the uses set forth above, the Company shall fund the balance through various means.

The Board is authorized to determine the use of the proceeds by taking into account the actual funds raised and the circumstances of each of the above-mentioned projects but subject to the approval of the Relevant Authorities. The Company shall issue an announcement should there be material changes to the above intended use of proceeds.

The Company shall announce the finalized terms of the proposed A Share Issue once the same has been finalised.

Ancillary matters relating to the Proposed A Share Issue

Authorisation to be given to the Board

Subject to approval by the Shareholders at the AGM and separate class meetings, the Board shall be authorised to make such decisions, sign such documents, engage professional advisers to implement the proposed A Share Issue, decide and progress matters relevant to the proposed A Share Issue (including but not limited to timing of the A Share Issue, number of A Shares to be issued, target subscribers, placing mechanisms etc.), amend Articles of Association and Procedural Rules and file and register the same with the Relevant Authorities and/or the equivalent authorities in Hong Kong, carry out such procedures and take such other actions as are in its discretion necessary to effect and complete the A Share Issue (including the proposed listing of the A Shares on the Shanghai Stock Exchange or Shenzhen Stock Exchange) by any of the executive Directors.

Shareholders' approvals to be sought at the AGM and the separate class meetings

The A Share Issue is subject to approval by way of special resolutions by the Shareholders at the AGM and the separate class meetings. Such resolutions will, in compliance with and as legally required under relevant PRC laws and regulations, be effective for a period of 1 year from the date of the AGM and the separate class meetings.

The AGM will be held to consider and, if thought fit, approve, among other things, the A Share Issue and to authorise the Board to determine and deal with at its discretion and with full authority, matters relating to the A Share Issue (including but not limited to the specific timing of the issue, number of A Shares to be issued, offering mechanism, pricing mechanism, issue price and par value, target subscribers and the number and proportion of A Shares to be issued to each subscriber).

Reasons for and benefits of the A Share Issue

The Company has more than 14 years of experience in manufacturing specialised seamless pipe 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 specialised seamless pipes including vessel pipes and boiler pipes.

The Company believes that the A Share Issue will establish a new financing platform for the Company and provide the Company with funds required for its ongoing business development. The A Share Issue will broaden the shareholders base and enable the Company to meet the needs for its future investment plans and development in oil well pipe production.

It is expected that the Company's high grade oil well pipe project under the 861 Action Plan will be completed by the end of 2009. As disclosed in the prospectus of the Company dated 27 November 2006, the Company expects to be able to increase its production capacity to 600,000 tonnes per annum in 2009 as a result of the successful implementation of the 861 Action Plan, reflecting a 100% increase in the Company's production capacity of 300,000 tonnes per annum. To facilitate increase in the company's production capacity for oil well pipes in the future, the threading and heat treatment advanced processing projects ancillary to the Company's high grade oil well pipe project will also be implemented with annual processing capacity amounting to 300,000 tonnes for each of the two ancillary projects. The total investment of such advanced processing project is expected to be approximately RMB 900 million and its implementation is expected to be carried out from 2008 to 2010.

With the steady enhancement of our production capacity, the Company intends to further improve its one-stop shop service through strengthening its distribution and logistics services. The Company will increase the capacity of its logistics and distribution center located in Chuzhou City. It is expected a storage center will be constructed with annual distribution capacity up to 100,000 tonnes and total investment of approximately RMB110 million.

The proceeds from the proposed A Share Issue will primarily be used to extend and enhance the advanced processing capacity of the Company's for its products and expand its market network. Part of the proceeds will be used in the product research and development area, technology improvement projects such as energy saving and reduction of emission as well as general working capital. The balance of the investment cost is expected to be funded by a combination of the Company's internal cash resources and bank financing. By way of utilizing the proceeds from the proposed A Share Issue as mentioned above, the Company will therefore be able to further increase its scale of production of oil well pipes, optimize product mix and expand its market network, thus further strengthening and improving the Company's competitive edge in the market.

PROPOSED BONUS ISSUE OF SHARES

On 29 February 2008, the Board of Directors proposed to convert a sum of RMB126,892,500 in the Company's share premium account into 253,785,000 shares of nominal value of RMB0.50 each, which will rank pari passu with existing Shares. On the basis of the issued share capital of 507,570,000 shares as at the end of 2007, shareholders will be offered additional 5 ordinary shares for every 10 ordinary shares they hold as a bonus issue. If any fractional shares (interest smaller than a whole share) fall to be issued as part of this distribution, the fractional shares will not be issued to shareholders but aggregated and sold for the benefit of the Company. Subject to the approval at the AGM and the separate class meetings to be held on Monday, 28 April 2008, the shares under the proposed bonus issue is expected to be issued on or about 30 June 2008.

The register of members of the Company will be closed from 27 March 2008 to 28 April 2008 (both days inclusive) during which period no transfer of shares will be effected. To be eligible for attending the AGM and the separate class meetings to be held by the Company on Monday, 28 April 2008, and to receive the final dividends and to be allotted with the bonus shares to be issued pursuant to the proposed bonus issue by conversion of the Company's capital reserve, 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 26 March 2008.

The Directors believe that the increase in the number of Shares by way of such conversion of capital is likely to improve the liquidity of the Company's Shares traded or to be traded on the relevant stock exchanges. The proposed bonus issue, subject to approval by shareholders, will not be conditional on the proposed A Share Issue and Share Consolidation. The proposed Share Consolidation, if approved by the Shareholders, will only proceed should the same be required by the Relevant Authorities for the purpose of facilitating the A Share Issue.

EFFECTS OF THE SHARE CONSOLIDATION, THE BONUS ISSUE AND THE A SHARE ISSUE ON THE COMPANY'S CAPITAL STRUCTURE

Assuming that a total of 101,250,000 A Shares of RMB 1.00 each will be issued under the A Share Issue, that the bonus issue will be implemented, that the Share Consolidation will be implemented and that the Company will not issue and allot further Shares prior to the A Share Issue, the expected shareholding structure of the Company immediately before and after the bonus issue, the Share Consolidation, and immediately upon completion of the A Share Issue is set out and summarised as follows:-

	As at the date of this announcement		Immediately after the bonus issue but before completion of the Share Consolidation and the A Share Issue		Immediately after the Share Consolidation but before completion of the A Share Issue		Immediately after completion of the A Share Issue	
	Number of Shares of RMB0.50 each	%	Number of Shares of RMB0.50 each	%	Number of Consolidated Shares of RMB1.00 each	%	Number of Consolidated Shares of RMB1.00 each	%
(1) Domestic Shares	340,000,000	67	510,000,000	67	255,000,000	67	356,250,000	73.92
- Existing Domestic Shares issued	340,000,000	67	510,000,000	67	255,000,000	67	255,000,000	52.91
- A Shares to be issued	-	-	-	-	-	-	101,250,000	21.01
(2) H Shares	167,570,000	33	251,355,000	33	125,677,500	33	125,677,500	26.08
(3) Total number	507,570,000	100	761,355,000	100	380,677,500	100	481,927,500	100.00

Assuming that a total of 202,500,000 A Shares of RMB0.50 each will be issued under the A Share Issue, that the bonus issue be implemented, that the Share Consolidation will not be implemented and that the Company will not issue and allot further Shares prior to the A Share Issue, the expected shareholding structure of the Company immediately before and after the bonus issue and the completion of the A Share Issue is set out and summarised as follows:-

	As at the date of this announcement		Immediately after the bonus issue but before completion of the A Share Issue		Immediately after completion of the A Share Issue	
	Number of Shares of RMB0.50 each	%	Number of Shares of RMB0.50 each	%	Number of Shares of RMB0.50 each	%
(1) Domestic Shares	340,000,000	67	510,000,000	67	712,500,000	73.92
- Existing Domestic Shares issued	340,000,000	67	510,000,000	67	510,000,000	52.91
- A Shares to be issued	-	-	-	-	202,500,000	21.01
(2) H Shares	167,570,000	33	251,355,000	33	251,355,000	26.08
(3) Total number	507,570,000	100	761,355,000	100	963,855,000	100.00

The Company expects that it will be able to comply with the minimum public float requirement upon completion of the proposed A Share Issue.

The A Share Issue may or may not proceed. Investors should therefore exercise caution when dealing in the H Shares.

PROPOSED AMENDMENTS OF THE ARTICLES OF ASSOCIATION

To accommodate the A Share Issue, the Company will, when proceeding with the A Share Issue, make proposed amendments of the Articles of Association in compliance with all relevant and applicable PRC legal and regulatory requirements.

The proposed amendments to be made to the Articles of Association primarily aim to enhance the corporate governance of the Company and, in accordance with the relevant PRC laws and regulations, deal with matters relating to different areas such as alteration of the Company's registered capital and shareholding structure and other provisions as required by any applicable laws and regulations for companies with A Shares in issue.

Further details regarding such proposed amendments will be set out in the circular of the Company to be despatched to the Shareholders as soon as possible. The proposed amendments of the Articles of Association will become effective upon completion of the A Share Issue, subject to approval by way of a special resolution by the Company's shareholders at the AGM, and conditional upon obtaining any approval, endorsement or registration as may be necessary from the Relevant Authorities.

PROPOSED ADOPTION OF THE INDEPENDENT DIRECTORS RULES, CONNECTED TRANSACTION DECISION POLICY AND THE PROCEDURAL RULES

Pursuant to the relevant laws, rules and regulations and the requirements of CSRC, the Company has proposed to adopt the independent director rules to regulate the appointment, election, powers, duties and responsibilities of the independent directors and to adopt the Procedural Rules for the meeting of the Shareholders, the Board and supervisory committee of the Company to regulate the functions, powers of, and the procedures for such relevant meetings.

In order to regulate the connected transaction of the Company, maintain the welfare of minority shareholders, pursuant to the relevant laws, rules and regulations and the requirement of CSRC, the Board has proposed to adopt the Connected Transaction Decision Policy. Such proposal is subject to approval by way of ordinary result at the AGM.

Further details will be set out in the circular to be despatched to the Shareholders as soon as practicable. The proposed adoption of the independent director rules is subject to approval by way of ordinary resolution at the AGM and the proposed adoption of the Procedural Rules is subject to approval by way of special resolutions at the AGM, and the obtaining of any approval, endorsement or registration (as applicable) from or with the Relevant Authorities.

CHANGE OF BOARD LOT

The Board has also resolved that the board lot size for trading in the H Shares will be changed from 2,000 H Shares to 1,000 H Shares. The Board expects that the reduced board lot size may improve the trading liquidity of the Shares and enable the Company to attract more investors, thus broadening its shareholder base. The closing price per H Share as at the date of this announcement was HK\$3.93. Based on such closing price, the value of each board lot of Consolidated H Shares would be HK\$15,720. The Directors expect that there will not be odd lots of H Shares arising in the Share Consolidation and so odd lot matching services will not be provided.

GENERAL INFORMATION

For the purpose of approving the implementation details of the A Share Issue and the proposed Share Consolidation if applicable, the AGM and the separate class meetings will be held on or about Monday, 28 April 2008 at which certain resolutions will be proposed to consider and, if thought fit, to approve, inter alia, the implementation details of the A Share Issue, the Share Consolidation and to authorise the Board to make such amendments to the Articles of Association, Procedural Rules and independent director rules of the Company as it thinks fit.

The Company Register for H Shares will be closed from 27 March 2008 to 28 April 2008 (both days inclusive).

In order to qualify for attendance and voting at the AGM and the separate class meetings, transfers accompanied by share certificates and other appropriate documents must be lodged with the Company or the Company's branch share registrar and transfer office in Hong Kong (as the case may be), Computershare Hong Kong Investor Services Ltd., at Shop 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:00 p.m. on 26 March 2008. Shareholders whose names appear on the Company Register on 28 April 2008, or their proxies, will be entitled to attend and vote at the AGM and the separate class meetings.

It should be noted that the A Share Issue and the proposed Share Consolidation, upon the approval from the shareholders of the Company at the AGM and the separate class meetings, are still subject to the approval of CSRC and the Shanghai Stock Exchange or Shenzhen Stock Exchange (as the case may be) to the issue and trading of the A Shares on the Shanghai Stock Exchange or Shenzhen Stock Exchange (as the case may be).

The notice of the AGM and the separate class meetings, its reply slip and the proxy form, together with the circular of the Company, will be issued by the Company and despatched to its Shareholders as soon as practicable.

This announcement is issued in compliance with the disclosure requirements under the Listing Rules, and does not constitute an offer or an invitation to induce an offer by any person to acquire, subscribe for or purchase the A Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“861 Action Plan”	refers to an action plan named “861 Action Plan” as formulated by the government of Anhui Province to encourage certain types of investment, including the Company’s high value added oil well pipe and petrochemical pipe expansion project.
“A Share(s)”	the domestic ordinary share(s) of the Company with a nominal value of RMB0.50 or RMB1.00 (depending on the approval of the Relevant Authorities), each proposed to be issued to institutional and public investors in the PRC by the Company
“A Share Issue”	The proposed issue of not more than 135 million shares of the Company of nominal value RMB0.50 each or 67.5 million shares of nominal value RMB1.00 each to institutional and public investors in the PRC by the Company
“AGM”	the Annual General Meeting of the Company to be held on Monday, 28 April 2008 in Anhui, PRC
"Articles of Association	the articles of association of the Company
“Board”	the board of Directors
“Company”	Anhui Tianda Oil Pipe Company Limited, a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed on the HKSE
“Company Register”	the register of members of the Company
"Consolidated Share(s)"	ordinary share(s) of nominal value of RMB1.00 each in the share capital of the Company after the Share Consolidation becoming effective, including Consolidated Domestic Share(s) and Consolidated H Share(s)
"Consolidated Domestic Share(s)"	ordinary domestic share(s) of nominal value of RMB1.00 each in the share capital of the Company after the Share Consolidation becoming effective
"Consolidated H Share(s)"	ordinary H Share(s) of nominal value of RMB1.00 each in the share capital of the Company after the Share Consolidation becoming effective

“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“Domestic Share(s)”	ordinary domestic share(s) of nominal value of RMB0.50 each in the registered capital of the Company which are subscribed for in RMB
"Effective Date"	the effective date of the proposed Share Consolidation
“Enlarged Issued Share Capital”	means the shares of the Company in issue as at the date of this announcement and as enlarged by reference to the A Share Issue only (taking into account of the effect of the Share Consolidation, as the case may be)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
“H Shares”	the overseas listed foreign shares of the Company with a nominal value of RMB0.50 each and listed on the HKSE
“HKSE”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
"Procedural Rules"	collectively, (i) the Rules and Procedures of the Board, (ii) the Rules and Procedures of Shareholders' General Meetings and (iii) the Rules and Procedures of the Supervisory Committee adopted by the Company from time to time
"Relevant Authorities"	CSRC and such other PRC authorities having power to regulate, among other things, the proposed bonus issue of shares, Share Consolidation, the A Share Issue and amendments of the Articles of Association

“RMB”	Renminbi, the lawful currency of the PRC
"the Rules and Procedures of the Board"	the rules governing the procedures for the meeting of the Board
"the Rules and Procedures of Shareholders' General Meetings"	the rules governing the procedures for the meeting of the Shareholders
"the Rules and Procedures of the of the Supervisory Committee"	the rules governing the procedures for the meeting of the Supervisory Committee
"Share Consolidation"	the consolidation of every two Shares in the issued share capital of the Company into one Consolidated Share in the issued share capital of the Company
“Trading Day”	a day on which the Stock Exchange is open for trading

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, 29 February 2008

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