

For illustrative purpose only, the unaudited pro forma financial information prepared in accordance with Rule 7.31 of the GEM Listing Rules, is set out here to provide the prospective investors with further information about the effect of the Placing on the financial information of the Group as at 30 June 2005 as if it had taken place on that date.

Although reasonable care has been exercised in preparing the said information, prospective investors who read the information should bear in mind that the unaudited pro forma financial information has been prepared for illustrative purpose only and because of its nature, it may not give a true picture of the financial position of the Group.

(A) UNAUDITED PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2005

Unaudited forecast combined profit after taxation attributable to equity holders of the Company (<i>Note 1</i>)	Not less than RMB65,000,000 (approximately HK\$62,500,000) (<i>Note 5</i>)
Unaudited pro forma forecast earnings per Share	
– weighted average (<i>Note 2</i>)	Not less than RMB0.22 (approximately HK\$0.21) (<i>Note 5</i>)
– fully diluted (without the exercise of the options granted under the Pre-IPO Share Option Plan) (<i>Note 3</i>)	Not less than RMB0.15 (approximately HK\$0.14) (<i>Note 5</i>)
– fully diluted (with the exercise of the options granted under the Pre-IPO Share Option Plan) (<i>Note 4</i>)	Not less than RMB0.15 (approximately HK\$0.14) (<i>Note 5</i>)

Notes:

1. The bases and assumptions on which the above profit forecast for the year ending 31 December 2005 has been prepared are summarised in Appendix IV to this prospectus.
2. The calculation of the unaudited pro forma forecast earnings per Share on a weighted average basis is based on the unaudited forecast combined profit after taxation attributable to equity holders of the Company for the year ending 31 December 2005 and a weighted average number of 298,765,151 Shares in issue for the year ending 31 December 2005 after the completion of the Capitalisation Issue, the Conversion and the Placing, without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option or the exercise of any options which have been granted under the Pre-IPO Share Option Plan or which may be granted under the Share Option Scheme, or which may be allotted and issued or repurchased by the Company pursuant to the mandates as set out in the section headed "Written resolutions of the Shareholder(s) passed on 26 September 2005 and 7 October 2005 respectively" in Appendix VII to this prospectus.

3. The calculation of the unaudited pro forma forecast earnings per Share on a fully diluted basis (without the exercise of the options granted under the Pre-IPO Share Option Plan) is based on the unaudited forecast combined profit after taxation attributable to equity holders of the Company for the year ending 31 December 2005 and as if the Capitalisation Issue, the Conversion and the Placing had been completed on 1 January 2005 and a total of 432,000,000 Shares were in issue throughout the year, without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option or the exercise of any options which have been granted under the Pre-IPO Share Option Plan or which may be granted under the Share Option Scheme, or which may be allotted and issued or repurchased by the Company pursuant to the mandates as set out in the section headed "Written resolutions of the Shareholder(s) passed on 26 September 2005 and 7 October 2005 respectively" in Appendix VII to this prospectus.
4. The calculation of the unaudited pro forma forecast earnings per Share on a fully diluted basis (with the exercise of the options granted under the Pre-IPO Share Option Plan) is based on the unaudited forecast combined profit after taxation attributable to equity holders of the Company for the year ending 31 December 2005 and as if the Capitalisation Issue, the Conversion and the Placing had been completed on 1 January 2005 and a total of 432,000,000 Shares were in issue throughout the year, as well as on the basis that the options granted under the Pre-IPO Share Option Plan were exercised in full on 1 January 2005, resulting in the issuance of 13,800,000 additional Shares, but without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option.
5. The RMB figures are translated at an exchange rate of RMB1.04 to HK\$1.00.

(B) UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following is an illustrative statement of unaudited pro forma adjusted net tangible assets of the Group which has been prepared for the purpose of illustrating the effect of the Placing as if it had been taken place on 30 June 2005 and based on the audited combined net assets of the Group as at 30 June 2005 as shown in the accountants' report, the text of which is set out in Appendix I to this prospectus and adjusted as follows:

	Audited combined net assets of the Group as at 30 June 2005 HK\$'000	Intangible assets as at 30 June 2005 HK\$'000	Estimated net proceeds from the Placing HK\$'000 (Note 1)	Unaudited pro forma adjusted net tangible assets HK\$'000	Unaudited pro forma adjusted net tangible assets per Share HK\$ (Notes 2)
Based on the Placing Price of HK\$1.12 per Share	<u>97,878</u>	<u>(6,981)</u>	<u>111,927</u>	<u>202,824</u>	<u>0.47</u>
Based on the Placing Price of HK\$1.68 per Share	<u>97,878</u>	<u>(6,981)</u>	<u>176,431</u>	<u>267,328</u>	<u>0.62</u>

Notes:

1. The estimated net proceeds from the Placing is based on the Placing Price of HK\$1.12 per Share (being the lower limit of the stated Placing Price range) and HK\$1.68 per Share (being the upper limit of the Placing Price range), after deduction of the estimated underwriting fees and related expenses to be paid by the Company. The estimated net proceeds from the Placing have not taken into account of any Shares which may be issued pursuant to the exercise of the Over-allotment Option or the exercise of any options which have been granted under the Pre-IPO Share Option Plan or which may be granted under the Share Option Scheme.
2. The unaudited pro forma adjusted net tangible assets per Share is based on 432,000,000 Shares in issue immediately following the completion of the Capitalisation Issue, the Conversion and the Placing as if the Shares had been in issue on 30 June 2005, without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option or the exercise of any options which have been granted under the Pre-IPO Share Option Plan or which may be granted under the Share Option Scheme. The adjusted net tangible asset value per Share is based on an exchange rate of RMB1.04 to HK\$1.00.
3. On 26 September 2005, a capitalisation agreement was entered into between the Company and XGII pursuant to which, conditional upon the Listing, the Company will allot and issue a total of 260,159,120 Shares, as to 234,143,208 to XGII and 26,015,912 Shares to Symbiospartners (as nominated by XGII), all credited as fully paid, on capitalisation of a sum of RMB45.0 million owed by the Company to XGII. The unaudited pro forma adjusted net tangible assets and the unaudited pro forma adjusted net tangible assets per Share as shown in the above do not take into account such Capitalisation Issue of RMB45.0 million (equivalent to approximately HK\$43.3 million) as it has not taken place at the moment. After taking into account the proceeds from the Capitalisation Issue, the unaudited pro forma adjusted net tangible assets per Share would have been increased to HK\$0.57 (based on the Placing Price of HK\$1.12 per Share) and HK\$0.72 (based on the Placing Price of HK\$1.68 per Share). The RMB figure is translated at an exchange rate of RMB1.04 to HK\$1.00.
4. Pursuant to the Convertible Bond Subscription Agreement, EIGL issued to Investec, an Independent Third Party, convertible redeemable bonds in the aggregate principal amount of US\$5,000,000 (equivalent to approximately HK\$39,000,000). The Redeemable Convertible Bonds will be mandatorily converted to Shares in full upon (i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned in this prospectus (including any Shares which have been or may be issued pursuant to the exercise of any options which have been or may be granted under the Pre-IPO Share Option Plan, the Share Option Scheme and the Over-allotment Option; and (ii) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional (including, if relevant, as a result of the waiver of any conditions by the Lead Manager, on behalf of the Underwriters) and not being terminated in accordance with the terms of the Underwriting Agreement or otherwise, in each case at or before 8:00 a.m. on the Listing Date. Upon the Conversion, Investec will be allotted and issued such number of Shares which represents 12% of the enlarged issued share capital of the Company immediately following the completion of the Capitalisation Issue and the Placing (assuming that the Over-allotment Option is not exercised) and accordingly, 51,840,000 Shares are expected to be allotted and issued which is equivalent to a conversion price of approximately HK\$0.75 per Share.
5. For the purpose of the Listing, the properties of the Group were revalued as at 31 August 2005 by an independent firm of surveyors, Sallmanns (Far East) Limited. A surplus of approximately RMB35 million arising as a result of the revaluation of the Group's properties as at 31 August 2005 will not be incorporated in the Group's financial statements. It is the Group's policy to state its property, plant and equipment at cost less accumulated depreciation and impairment losses in accordance with Hong Kong Accounting Standard 16 "Property, plant and equipment" issued by the Hong Kong Institute of Certified Public Accountants. If such revaluation surplus were to be included in the Group's financial statements, additional annual depreciation charges of approximately RMB2 million would be incurred.

(C) COMFORT LETTER ON THE UNAUDITED PROFORMA FINANCIAL INFORMATION

The following is the full text of a letter from the Company's independent reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma forecast earnings per Share and the unaudited pro forma adjusted net tangible assets set out in parts (A) and (B) of Appendix III to this prospectus.



8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

10 October 2005

The Directors
Enric Energy Equipment Holdings Limited
China Everbright Capital Limited

Dear Sirs,

**Enric Energy Equipment Holdings Limited (the "Company")
Placing of 120,000,000 shares with a par value of HKD0.01 each**

We report on the unaudited pro forma forecast earnings per Share and the unaudited pro forma statement of adjusted net tangible assets (the "Unaudited Pro Forma Financial Information") set out in parts (A) and (B) of Appendix III to the prospectus dated 10 October 2005 (the "Prospectus"), which has been prepared by the Company solely for illustrative purposes to provide information about how the issuance of the Company's new shares, through placing on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, might have affected the forecast earnings per Share and the combined net tangible assets of the Company and its subsidiaries (collectively, the "Group") as at 30 June 2005. The basis of preparation of the Unaudited Pro Forma Financial Information is set out in parts (A) and (B) of Appendix III to the Prospectus.

Responsibilities

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with Paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Rules").

It is our responsibility to form an opinion, as required by the GEM Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards and Bulletin 1998/8 "Reporting on pro forma financial information pursuant to the Listing Rules" issued by the Auditing Practices Board in the United Kingdom, where applicable. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company.

Our work did not constitute an audit or review made in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the directors' judgements and assumptions, and because of its nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position or results of:

- the Group had the transactions actually occurred and share proceeds estimated by the Company been received on 30 June 2005; or
- the Group at any future date or for any future periods.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described under the section headed "Statement of business objectives and strategies – Reasons for the Placing and the use of proceeds" in the Prospectus.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Paragraph 31(1) of Chapter 7 of the GEM Rules.

Yours faithfully,
KPMG
Certified Public Accountants
Hong Kong