

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

For illustrative purpose only, the pro forma financial information prepared in accordance with Rule 7.31(1) and paragraph 21 of Appendix 1A of the GEM Listing Rules is set out herein to provide the investors with further information to assess the financial performance of the Company after taking into account the adjusted consolidated net tangible assets attributable to the shareholders of the Company to illustrate the financial position of the Company after completion of the International Placing and to illustrate the performance of the Company had the International Placing been completed on 1 January 2006.

A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The unaudited pro forma adjusted net intangible assets has been prepared, on the basis of the notes set out below, to illustrate how the International Placing may have affected the Company's net tangible assets had it occurred as at 30 June 2006.

The unaudited pro forma adjusted net tangible assets has been prepared for illustrative purpose only and, because of its nature, may not give a true picture of the financial position and results of the Company.

	Audited net tangible assets of the Company as at 30 June 2006	Estimated net proceeds from the International Placing	Unaudited pro forma adjusted net tangible assets	Unaudited pro forma adjusted net tangible assets per Share	Unaudited pro forma adjusted net tangible assets per Share
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>(RMB)</i>	<i>(HK\$)</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>		<i>(Note 3)</i>	<i>(Note 4)</i>
Based on an Offer Price of HK\$2.40 per H Share	308,061 (equivalent to about HK\$305,011)	312,811 (equivalent to about HK\$309,714)	620,872	1.28	1.27
Based on an Offer Price of HK\$3.00 per H Share	308,061 (equivalent to about HK\$305,011)	401,113 (equivalent to about HK\$397,142)	709,174	1.46	1.45

Notes:

- (1) The financial information as at 30 June 2006 is extracted from the balance sheet of the Company set out in "Appendix I – Accountants' Report" to this prospectus.
- (2) The unaudited pro forma adjusted net tangible assets reflects the estimated proceeds from the International Placing, net of related expenses, to be received by the Company. This has been shown on the basis of both the upper and lower limits of the range of Offer Price, being HK\$2.40 and HK\$3.00 per Share.
- (3) The number of Shares is based on a total of 485,714,000 Shares issued and outstanding during the entire year, adjusted as if the International Placing had occurred at 1 January 2006, excluding any Shares that might be issued under the Over-allotment Option.
- (4) The translation of Hong Kong dollars into Renminbi was at HK\$1.00 to RMB1.01.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

- (5) Our property interests as of 30 September 2006 have been valued by DTZ Debenham Tie Leung Limited, an independent property valuer, and the relevant property valuation report is set out in Appendix IV “Property Valuation”. The above adjustment does not take into account the surplus attributable to us arising from the revaluation of our property interests amounting to approximately RMB32 million. The revaluation surplus will not be incorporated in our financial statements for the six months ended 30 June 2006. If the valuation surplus was recorded in our financial statements, our depreciation expense for the year ending 31 December 2006 would be increased by approximately RMB0.6 million.

B. FORECAST PROFIT FOR THE YEAR ENDING 31 DECEMBER 2006

Forecast profit attributable to equity holders

of the Company⁽¹⁾ not less than RMB110.0 million

Forecast earnings per Share⁽²⁾

(a) weighted average⁽³⁾ not less than RMB0.31 (HK0.31)

(b) pro forma⁽⁴⁾ not less than RMB0.23 (HK0.22)

Notes:

- (1) The forecast profit attributable to equity holders of the Company for the year ending 31 December 2006 is based on our audited results for the six months ended 30 June 2006, our unaudited results for the three months ended 30 September 2006 and a forecast of the results for the three months ending 31 December 2006. The bases and assumptions on which the above profit forecast has been prepared are set out in Appendix III.
- (2) Forecast earnings per Share is converted into Hong Kong dollars at the Exchange of HK\$1.00 to RMB1.01 prevailing on the Latest Practicable Date.
- (3) The calculation of weighted average forecast earnings per Share is based on the forecast profit attributable to equity holders of the Company of RMB110.0 million for the year ending 31 December 2006 on the basis of the issued share capital of 352,376,000 Shares, being the weighted average number of Shares in issue during the year. The Shares to be issued under the International Placing are assumed to be issued on 30 November 2006. This calculation assumes that the Over-allotment Option will not be exercised.
- (4) The calculation of pro forma forecast earnings per Share is based on the forecast profit attributable to equity holders of the Company for the year ending 31 December 2006 and assuming that the Company had been listed on the Hong Kong Stock Exchange since 1 January 2006 and a total of 485,714,000 Shares were in issue throughout the year. This calculation assumes that the Over-allotment Option will not be exercised.

B. COMFORT LETTER ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report from Ernst & Young, the reporting accountants to the Company, in respect of the unaudited pro forma financial information



18th Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

27 November 2006

The Directors
Anhui Tianda Oil Pipe Company Limited

Dear Sirs,

We report on the unaudited pro forma financial information of Anhui Tianda Oil Pipe Company Limited (the “Company”) which has been prepared by the Directors of the Company for illustrative purpose only, to provide information about how the International Placing of the Company’s H shares might have affected the financial information presented, for inclusion as section (A) and (B) of Appendix II to the prospectus of the Company dated 27 November 2006 (the “Prospectus”).

Respective Responsibilities of Directors of the Company and Reporting Accountants

It is the responsibility solely of the Directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and with reference to AG7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion solely 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 Hong Kong Standards on Investment Circular Reporting Engagements (HKSIR) 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the Directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the Directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Company and that the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31 (1) of the GEM Listing Rules.

Our work does not constitute an audit or review 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 assurance on the unaudited pro forma financial information.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgments and assumptions of the Directors of the Company, and, because of its hypothetical nature, 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 of the Company as at 30 June 2006 or at any future date; or the earnings per share of the Company for the year ending 31 December 2006 or any future periods.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the Directors of the Company 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 7.31(1) of the GEM Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong