

The Information set forth in this appendix does not form part of the accountants' report by the reporting accountants Ernst & Young, Certified Public Accountants, Hong Kong, as set forth in Appendix I to this prospectus, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial information" in this prospectus and the "Accountants' report" as set forth in Appendix I to this prospectus.

The unaudited pro forma financial information prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out herein to provide prospective investors with further financial information about (i) how the proposed listing might have affected the combined net tangible assets of the Group after the completion of the Global Offering; and (ii) how the proposed listing might have affected the unaudited pro forma estimated earnings per share of the Group for the year ended 31 December 2009 as if the Global Offering had taken place on 1 January 2009.

The accompanying unaudited pro forma financial information of the Group is based on currently available information along with a number of assumptions, estimates and uncertainties. As a result of these assumptions, estimates and uncertainties, the accompanying unaudited pro forma financial information of the Group does not purport to predict the Group's future financial position or results of operations.

Although reasonable care has been exercised in preparing the said information, prospective investors who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial results and position of the financial periods concerned.

A UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

The following is an illustrative statement of unaudited pro forma adjusted combined net tangible assets of the Group, which has been prepared for the purpose of illustrating the effect of the Global Offering as if it had taken place on 31 August 2009. It is based on the audited combined net tangible assets attributable to equity holders of the parent as at 31 August 2009 as shown in the accountants' report of the Group, the text of which is set out in Appendix I to this Prospectus, and is adjusted as follows:

	Audited combined net tangible assets attributable to equity holders of the parent as at 31 August 2009	Estimated net proceeds receivable by the Company from the Global Offering	Unaudited pro forma adjusted combined net tangible assets	Unaudited pro forma adjusted combined net tangible assets per Share	Unaudited pro forma adjusted combined net tangible assets per Share (HK\$ equivalent)
	<i>RMB'000 (Note 1)</i>	<i>RMB'000 (Note 2)</i>	<i>RMB'000</i>	<i>RMB (Note 3)</i>	<i>(Note 4)</i>
Based on the maximum indicative Offer Price of HK\$6.15 per Share	<u>847,991</u>	<u>1,293,026</u>	<u>2,141,017</u>	<u>2.14</u>	<u>2.44</u>
Based on the minimum indicative Offer Price of HK\$4.50 per Share	<u>847,991</u>	<u>941,855</u>	<u>1,789,846</u>	<u>1.79</u>	<u>2.04</u>

Notes:

- The combined net tangible assets attributable to equity holders of the parent as at 31 August 2009 is calculated as follows:

	<i>RMB'000</i>
Audited combined net assets of the Group as set out Appendix I	852,066
Less: Goodwill	(4,075)
	847,991
- The estimated net proceeds from the Global Offering are based on the Offer Shares and the Offer Price of HK\$4.50 or HK\$6.15 per Share, being the low or high end of the stated offer price range, after deduction of the underwriting fees and related expenses incurred by the Company since 1 September 2009 and takes no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any options that may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandates for the allotment and issue or repurchase of our Shares referred to under "Resolutions in writing of the sole Shareholder passed on 23 January 2010" in Appendix VI to this prospectus. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of RMB1.00 to HK\$1.14.
- The unaudited pro forma adjusted combined net tangible assets per Share is arrived at after making the adjustments set forth under the paragraph headed "Unaudited pro forma adjusted combined net tangible assets" in Appendix II in this prospectus and on the basis of a total of 1,000,000,000 Shares in issue immediately following the completion of the Global Offering without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any options that may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandates for the allotment and issue or repurchase of our Shares referred to under "Resolutions in writing of the sole Shareholder passed on 23 January 2010" in Appendix VI to this prospectus.
- The unaudited pro forma adjusted combined net tangible assets per Share is converted into Hong Kong dollars at an exchange rate of RMB1.00 to HK\$1.14. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.
- Details of the valuations of our Group's properties as at 30 November 2009 are set out in "Appendix IV – Property Valuation" in this Prospectus. The revaluation surplus or deficit of properties included in buildings held for own use, assets under construction, land use rights and properties under development will not be incorporated in our Group's financial statements for the year ended 31 December 2009. If the revaluation surplus was recorded in our Group's financial statements for the year ended 31 December 2009, the annual depreciation charges would increase by approximately RMB2,642,000.

B UNAUDITED PRO FORMA ESTIMATED EARNINGS PER SHARE

The following unaudited pro forma estimated earnings per Share for the financial year ended 31 December 2009 has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on 1 January 2009. It has been prepared for illustrative purposes only and, because of its nature, it may not give a true picture of the financial results of the Group following the Global Offering.

	For the year ended 31 December 2009
Estimated combined net profit attributable to equity holders of our Company for the financial year ended 31 December 2009 (<i>Note 1</i>)	not less than RMB400.0 million (equivalent to approximately HK\$456.0 million)
Unaudited pro forma estimated earnings per Share (<i>Note 2</i>)	not less than RMB0.400 (equivalent to approximately HK\$0.456)

Notes:

- The unaudited estimated combined net profit attributable to equity holders of the parent for the year ended 31 December 2009 is extracted from the profit estimate as set out in the subsection headed "Profit estimate for the financial year ended 31 December 2009" under the section headed "Financial Information" in the Prospectus. The bases on which the above profit estimate for the year ended 31 December 2009 has been prepared are summarised in Appendix III to the Prospectus.
- The calculation of the unaudited estimated earnings per Share on a pro forma basis is based on the estimated combined net profit attributable to equity holders of our Company for the financial year ended 31 December 2009 assuming that our Company had been listed on the Main Board since 1 January 2009 and a total of 1,000,000,000 Shares (including the Shares in issue as at 1 January 2009, Shares under the Capitalisation Issue and the Global Offering) had been in issue during that financial year, but does not take into account any Shares which may be allotted and issued upon the exercise of the Over-allotment Option or any options that may be granted under the Share Option Scheme or which may be allotted and issued or repurchased by our Company pursuant to the general mandates for the allotment and issue or repurchase of the Shares referred to under the paragraph headed "Resolutions in writing of the sole Shareholder passed on 23 January 2010" in Appendix VI to this prospectus.
- The unaudited estimated combined net profit attributable to equity holders of the parent and the unaudited pro forma estimated earnings per Share are converted into Hong Kong dollars at an exchange rate of RMB1.00 to HK\$1.14.

C LETTER FROM THE INDEPENDENT REPORTING ACCOUNTANTS ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a letter, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for inclusion in this prospectus, in respect of the unaudited pro forma financial information.



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

28 January 2010

The Board of Directors
Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited

ICBC International Capital Limited
Access Capital Limited

Dear Sirs,

We report on the unaudited pro forma adjusted combined net tangible assets and unaudited pro forma estimate earnings per share (the "Unaudited Pro Forma Financial Information") of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which have been prepared by the directors of the Company (the "Directors"), for illustrative purpose only, to provide information about how the share offer of 300,000,000 shares of HK\$0.10 each in the capital of the Company might have affected the financial information presented, for inclusion in Appendix II to the prospectus of the Company dated 28 January 2010 (the "Prospectus"). The basis of preparation of the unaudited Pro Forma Financial Information is set out in Appendix II to the Prospectus.

Respective Responsibilities of the Directors and Reporting Accountants

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing 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 engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. 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. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma 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 on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29 (1) of the Listing Rules.

Our work has not been carried out in accordance with the auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and, accordingly, should not be relied upon as if it had been carried out in accordance with those standards.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the Directors, 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 Group as at 31 August 2009 or any future dates; or
- the estimate earnings per share of the Group for the year ended 31 December 2009 or any future periods.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong