



摩斯倫會計師事務所

To the members of

Ocean Grand Chemicals Holdings Limited

(incorporated in Bermuda with limited liability)

We have audited the proforma financial statements on pages 30 to 62 which have been prepared in accordance with the accounting policies set out in note 2 to the proforma financial statements which comply with the accounting principles generally accepted in Hong Kong except that the effects of the group reorganisation entered into after the balance sheet date have been accounted for using merger accounting which is not in accordance with the requirements of Statement of Standard Accounting Practice No. 27 "Accounting for group reconstructions" ("SSAP 27"). Although the group reorganisation meets the definition of a group reconstruction under SSAP 27, SSAP 27 specifies that financial statements should not incorporate a combination which occurs after the date of the most recent balance sheet included in the financial statements.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's Directors are responsible for the preparation of the proforma financial statements. In preparing such proforma financial statements it is fundamental that appropriate accounting policies are selected and applied consistently. The Directors consider that the merger accounting basis, on which the proforma financial statements have been prepared, provides meaningful and comparable information for shareholders as regards to the historical performance of the Group.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the proforma financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the proforma financial statements, and of whether the accounting policies are appropriate to the circumstances of the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the proforma financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the proforma financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the proforma financial statements have been properly prepared in accordance with the basis of combination and other accounting policies set out in note 2 to the proforma financial statements and, on that basis, gives a true and fair view of the state of affairs of the Group as at 31 March 2003 and of the Group's profit and cash flows for the year then ended as if the Group's Reorganisation had been completed on 31 March 2003 and the Group structure had been in existence then.

Moores Rowland

Chartered Accountants

Certified Public Accountants

Hong Kong

24 July 2003