

德勤·關黃陳方會計師行

Certified Public Accountants
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**Deloitte
Touche
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TO THE MEMBERS OF TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED

(incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 34 to 85 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

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

致謝瑞麟珠寶(國際)有限公司 全體股東

(於百慕達註冊成立之有限公司)

本核數師行已完成審核載於第34頁至第85頁按照香港普遍接納的會計準則編製的帳項。

董事及核數師的個別責任

貴公司的董事須負責編製真實與公平的帳項。在編製該等帳項時，董事必須貫徹採用合適的會計政策。

本行的責任是根據本行審核工作的結果，對該等帳項表達獨立的意見，並向股東作出報告。

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and 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 financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

意見的基礎

本行是按照香港會計師公會頒佈的核數準則進行審核工作。審核範圍包括以抽查方式查核與帳項所載數額及披露事項有關的憑證，亦包括評估董事於編製該等帳項時所作的重大估計和判斷，所釐定的會計政策是否適合 貴公司及 貴集團的具體情況，及是否貫徹應用並足夠地披露該等會計政策。

本行在策劃審核工作時，均以取得一切本行認為必需的資料及解釋為目標，使本行能獲得充份的憑證，就該等帳項是否存有重要的錯誤陳述，作出合理的確定。本行在作出意見時，已衡量帳項所載資料在整體上是否足夠。本行相信，本行的審核工作已為本行的意見提供合理根據。

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the financial statements which explain that the Group is dependent upon the continuing support of its bankers and of the holder of its preference shares. On 3rd August, 2000, the Group entered into a restructuring agreement ("Restructuring Agreement") with its bankers that will apply for a period of five years and three months or up to an earlier date when the bank borrowings are reduced to HK\$150 million. As part of the Restructuring Agreement, the majority participating lenders may give 14 days' notice to terminate the restructuring period. Pursuant to the Restructuring Agreement, the Group was required to reduce its bank borrowings by fixed installments of HK\$34 million by 28th February, 2001 and to make minimum fixed repayments of HK\$24 million on an annual basis from 3rd November, 2000. The Group had repaid HK\$51.4 million up to 28th February, 2001. In addition, the Group is required to redeem the 22,220 convertible non-voting redeemable preference shares by 28th February, 2002 for HK\$231.4 million. The Group is negotiating with the holder of its preference shares for the final resolution of the redemption of the preference shares without cash payment. Provided that the Group's bankers continue to support the Group and agreement can be reached with the preference shareholder, the directors are satisfied that the Group will be able to meet in full its financial obligations as they fall due in the foreseeable future. The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available. The financial statements do not include any adjustments that would result from failure to obtain such funding. We consider that the fundamental uncertainty has been adequately disclosed in the financial statements and our opinion is not qualified in this respect.

關於持續經營基準的基本不確定因素

在本行作出意見時，已考慮帳項附註第2項所披露是否足夠，該附註闡述 貴集團是依賴往來銀行及優先股股份持有人的持續支持。於二零零零年八月三日，貴集團與往來銀行訂立一項債務重組協議（「重組協議」），重組期間為五年零三個月或直至公司能將銀行貸款額減至港幣150,000,000元為止（以較早日期為準）。根據重組協議之部份條文，債務重組之大部份債權人可發出十四天之通知而終止該重組期限。依照重組協議，貴集團需於二零零一年二月二十八日前以定額分期共港幣34,000,000元減低該銀行貸款及其後由二零零零年十一月三日起每一年內最少須定額償還港幣24,000,000元。截至二零零一年二月二十八日止，貴集團已償還港幣51,400,000元。此外，貴集團需於二零零二年二月二十八日或以前以港幣231,400,000元贖回22,220股無投票權的可兌換及贖回之優先股。貴集團正與其優先股持有人磋商及尋求以不需要現金付款方式贖回優先股之最終解決方案。只要貴集團往來銀行繼續支持及能與優先股股東達成協議，貴集團之董事相信貴集團將有能力在可見未來能解決所有財務承擔。帳項乃根據持續經營基準編制，其有效性視乎日後可得之資金。本帳項並無包括因未能取得有關資金而作出任何調整。本行認為基本不確定因素已於本帳項內充分地作出披露，本行在這方面並無保留意見。

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 28th February, 2001 and of the loss and cash flows of the Group for the year ended 28th February, 2001 and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong, 15th June, 2001

意見

本行認為本帳項真實與公平地反映貴公司及 貴集團於二零零一年二月二十八日的財務狀況及 貴集團截至二零零一年二月二十八日止年度的虧損和現金流量，及已按照香港公司條例的披露要求而妥善編製。

德勤•關黃陳方會計師行

執業會計師

香港，二零零一年六月十五日