



**Auditors' report to the shareholders of  
Tse Sui Luen Jewellery (International) Limited**

*(Incorporated in Bermuda with limited liability)*

We have audited the financial statements on pages 36 to 87 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, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

It is our responsibility to form an independent opinion, based on our audit, on those financial 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 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 Company's and the Group's circumstances, consistently applied and adequately disclosed.

**致謝瑞麟珠寶(國際)有限公司全體股東之  
核數師報告書**

*(於百慕達註冊成立的有限公司)*

本核數師(以下簡稱「我們」)已審核刊於第36至第87頁按照香港公認會計原則編製的財務報表。

## **董事及核數師的責任**

貴公司董事的責任乃須編製真實與公平的財務報表。在編製這些財務報表時，董事必須貫徹採用合適的會計政策，作出審慎及合理的判斷和估計，並說明任何重大背離適用會計準則的原因。

我們的責任是根據我們審核工作的結果，對這些財務報表作出獨立意見，並向股東報告。

## **意見的基礎**

我們是按照香港會計師公會頒布的《核數準則》進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關的憑證，亦包括評估董事於編製財務報表時所作的主要估計和判斷、所釐定的會計政策是否適合 貴公司及 貴集團的具體情況，以及有否貫徹運用並足夠披露這些會計政策。

**BASIS OF OPINION** (Continued)

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.

*Fundamental uncertainty*

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the continued support of the Group's bankers and the ability of the Company to redeem its preference shares without cash payment. At 28 February 2002, the Group's outstanding Hong Kong bank borrowings amounted to HK\$278 million. Pursuant to a restructuring agreement dated 3 August 2000 ("the Restructuring Agreement"), the Group is required to make minimum fixed repayments of HK\$24 million on an annual basis. Furthermore, the Group is required to dispose of its non-core assets to reduce bank borrowings. The Restructuring Agreement applies 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 Agreement. In addition, the Group was required to redeem the 22,220 convertible non-voting redeemable preference shares by 28 February 2002 for HK\$231 million. The redemption period has since been extended by the Company and the preference shareholder. On 17 June 2002, the Group has entered into conditional agreements with the preference shareholder for the redemption of the preference shares. Pursuant to these agreements, the Company will procure Infinite Assets Corp. and Tse Sui Luen Investment (China) Limited (both are 77.5% owned subsidiaries of the Company) to issue new shares, representing 24% equity interest of their respective enlarged issued share capital, to the preference shareholder in lieu of cash payment for the redemption of the preference shares. The financial statements have been prepared on a going concern basis, the validity of which depends upon the ongoing support of the Group's

**意見的基礎** (續)

我們在策劃和進行審核工作時，是以取得一切我們認為必須的資料及解釋為目標，使我們能獲得充分的憑證，就財務報表是否存在重大的錯誤陳述，作合理的確定。在作出意見時，我們亦已衡量財務報表所載資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立合理的基礎。

*基本不明朗因素*

在作出意見時，我們已考慮財務報表內就 貴集團的往來銀行所提供的持續支持，以及 貴公司無須以現金贖回優先股的能力而作出的披露是否足夠。於2002年2月28日， 貴集團未償還的香港銀行貸款合共278,000,000港元。根據於2000年8月3日簽訂的重組協議（「重組協議」）， 貴集團每年最少須定額償還24,000,000港元。此外， 貴集團須出售非核心資產以償還銀行貸款。重組協議為期五年零三個月或直至銀行貸款減至150,000,000港元為止（以較早日為準）。根據重組協議的部分條文，債務重組大部分之債權人可發出14天通知而終止該重組協議。此外， 貴集團需於2002年2月28日前以231,000,000港元贖回22,220股無投票權的可兌換及贖回之優先股。贖回期限已由 貴公司及優先股之持有人延伸。於2002年6月17日， 貴集團與優先股之持有人為贖回優先股而達成有條件協議。根據此等協議， 貴公司將會促使Infinite Assets Corp. 及謝瑞麟投資(中國)有限公司(兩家公司均為 貴公司佔77.5% 權益的附屬公司)向優先股之持有人發行新股，以代替現金贖回優先股。所發行的新股各佔兩家公司經擴大後已發行股本24% 的權益。本財務報表是根據持續經營基準編製，其有效性視乎 貴集團的往來銀行所提供的持續支持，以及是否可以成功無須以現金贖回優先股。本財務報表並無包括因未能取得有關的支持和未能無須以現金贖回優先股而作出任何調整。有關這項基本

**BASIS OF OPINION** *(Continued)*

bankers and the successful redemption of the preference shares without cash payment. The financial statements do not include any adjustments that would result from a failure to obtain such support and to redeem the preference shares without cash payment. Details of the circumstances relating to this fundamental uncertainty are described in note 1(b) on the financial statements. We consider that the fundamental uncertainty has been adequately accounted for and disclosed in the financial statements and our opinion is not qualified in this respect.

**OPINION**

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 28 February 2002 and of the Group's loss and cash flows for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**KPMG**

*Certified Public Accountants*

Hong Kong, 17 June 2002

**意見的基礎** *(續)*

不明朗因素的詳情，已載於本財務報表附註1(b)內。我們認為於本財務報表內，已就基本不明朗因素作出適當的披露，故此，我們在這方面並無作出保留意見。

**意見**

我們認為，上述的財務報表均真實與公平地反映 貴公司及 貴集團於2002年2月28日的財政狀況和 貴集團截至該日止年度的虧損及現金流量，並已按照香港《公司條例》的披露要求適當地編製。

**畢馬威會計師事務所**

*執業會計師*

香港，2002年6月17日