

**45. CONTINGENT LIABILITIES**

At the balance sheet date, the Group and the Company had the following contingent liabilities:

	GROUP		COMPANY	
	2000 HK\$ million	1999 HK\$ million	2000 HK\$ million	1999 HK\$ million
(a) Corporate guarantees provided in respect of:				
Attributable share of outstanding bank and other borrowings of:				
- a jointly controlled entity	1,757.7	1,757.7	1,004.4	1,004.4
- subsidiary companies	-	-	3,269.4	4,194.2
	<u>1,757.7</u>	<u>1,757.7</u>	<u>4,273.8</u>	<u>5,198.6</u>

- (b) On 18th November, 1999, Regal International (BVI) Holdings Limited ("Regal BVI"), a wholly-owned subsidiary company of the RHIHL Group, entered into a securities purchase agreement ("SP Agreement") with an independent party (the "Purchaser") with respect to the disposal by Regal BVI to the Purchaser of its interests in hotel ownership and hotel management in the United States of America.

The SP Agreement also contains representations, warranties and indemnification given by Regal BVI which are normal and usual for transactions of similar nature. At the date of this report, the Directors of the Company are unable either to assess the likelihood of the crystallisation of any contingent liability or to estimate the amounts thereof with reasonable accuracy.



#### 46. COMMITMENTS

At the balance sheet date, the Group had the following outstanding commitments:

	GROUP	
	2000 HK\$ million	1999 HK\$ million
Capital commitments in respect of acquisition of interest in a hotel property in the PRC:		
Authorised and contracted for	6.5	-
Capital commitments in respect of renovation or improvement of hotel properties:		
Authorised and contracted for	26.0	-
Authorised, but not contracted for	81.0	-
	<u>107.0</u>	<u>-</u>
Capital commitments in respect of property and hotel development projects:		
Authorised and contracted for	2.9	170.3
Authorised, but not contracted for	36.0	79.3
	<u>38.9</u>	<u>249.6</u>
	<u>152.4</u>	<u>249.6</u>
Annual commitments payable in the following year under non-cancellable operating leases in respect of:		
Land and buildings expiring within one year	-	1.0
Other equipment expiring:		
Within one year	2.4	2.5
In the second to fifth years, inclusive	2.1	1.0
	<u>4.5</u>	<u>3.5</u>
	<u>4.5</u>	<u>4.5</u>

At the balance sheet date, the Company had no material outstanding commitments.

**47. OFF-BALANCE SHEET FINANCIAL INSTRUMENTS**

	<b>GROUP</b>	
	<b>2000 HK\$ million</b>	<b>1999 HK\$ million</b>
Notional amount of options	<u>15.2</u>	<u>15.1</u>

The notional amounts of the above instruments indicate the volume of the transactions outstanding at the balance sheet date, and do not represent the amount at risk.

**48. POST BALANCE SHEET EVENTS**

Subsequent to the balance sheet date, in addition to the events detailed elsewhere in the financial statements, the Group entered into the following significant transactions:

- (a) On 14th March, 2001, the RHIHL Group entered into a preliminary sale and purchase agreement with an independent third party to dispose of its investment properties in the PRC at a consideration of HK\$63.2 million. The resultant loss of HK\$17.5 million has been provided for in the current year.
- (b) On 29th March, 2001, a sale and purchase agreement was entered into between the Group and an independent third party to dispose of a property held for sale at a consideration of HK\$100.0 million. Such disposal resulted in a loss of approximately HK\$38.5 million, before the related expenses, which has been fully provided for during the current year.

**49. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors on 17th April, 2001.