

CONTINGENT LIABILITIES

As at 31st January, 2001, the Company and the Group had contingent liabilities in respect of the Company's undertaking to the trustee of the Schemes that the aggregate disposal proceeds of the Unencumbered Assets and the Accounts Receivables realised under the Schemes shall not be less than HK\$176 million.

The realisation of the Unencumbered Assets and the recovery of the Accounts Receivable are still in progress as at the date of these financial statements. Although it is not possible to estimate the final realisation proceeds, on the basis of knowledge to date, the directors do not consider any provision is currently required.