

Year 2000 Statement

We are working with our customers and suppliers to review the Y2K issue. All of our mission critical systems have been tested to be Y2K ready, and we expect that all other systems should be ready before the end of 1999.

Definition

We have adopted the definition of Year 2000 (Y2K) compliance promulgated by the British Standards Institute, which states that "Year 2000 conformity shall mean that neither performance nor functionality is affected by the dates prior to, during and after year 2000."

Actions to address Y2K issue

A Y2K Steering Committee had been set up to coordinate, monitor and control the progress of the Y2K issue and develop contingency plans. We are working with our customers and suppliers to review the Y2K issue. All of our mission critical systems have been tested to be Y2K ready, and we expect that all other systems should be ready before the end of 1999.

Impact on Group's Business

Based on current assessment, we do not expect the Y2K issue to cause any significant impact on the Group's businesses, costs and revenues. However, despite our best efforts, we recognise that we may be affected by the Y2K compliance status of our counterparties, trading partners and other external systems. There is thus no absolute assurance that unforeseen problems will not be encountered and the full impact on the Group of any failure of third parties' systems cannot be known at this juncture.

Estimated Cost

The total cost of the Group's Y2K efforts is estimated to be \$7 million.