
YEAR 2000 COMPLIANCE ISSUE

The year 2000 problem arises primarily because computer data storage had been expensive in the past. Some system engineers tended to use only two digits to represent the year in databases to save storage space. As the production costs of the data storage decrease with the advances in technology and the increasing caution towards the year 2000 problem, recently developed products in the market are usually year 2000 compliant. During the Track Record Period, all of the products sold by the Group to its customers are year 2000 compliant.

The year 2000 compliance issue has already been taken into account during the stage of research and development of the Group's products. In addition, all software developed by the Group has been tested to be year 2000 compliant before they are launched. For outsourced software, the Group will require the suppliers to provide confirmation that the outsourced software is year 2000 compliant.

The Group has conducted an assessment on its internal computer systems and concluded that they are year 2000 compliant. In addition, the Group has implemented a year 2000 contingency plan which mainly includes the making of back-up copies of all computer files and the maintaining of a systematic filing of hard copies of the relevant documents. As at the Latest Practicable Date, the Group has not experienced any major year 2000 problem.