

Announcement

Subject : Year 2000 (Y2K) Disclosure By Public Listed Companies
Date Announced : 23/07/1999
Reference No. : C&-990723-0EB63
Type : Announcement
Company Name : Paragon Union Berhad
Stock Name : Paragon

Content:

1. Details of your company and subsidiaries' progress in relation to its activities to address the Y2K issue.

- Non Y2K Ready. (Please refer to Table 1 below for more information.)

2. The impact of the Y2K issue if your company and/or subsidiaries fail to be Y2K Ready or are unable to achieve full readiness by the estimated date(s) mentioned above.

- No material impact.

- Our products as well as raw materials are not date/time based and therefore not affected by Y2K. Furthermore, most of the machinery are not controlled by date/time and those affected could be rectified by upgrading the computer controller.

3. The exposure of your company and/or subsidiaries to third parties who have material business relationships with your company or subsidiaries in relation to the third parties' Y2K readiness.

- Yes, minimal exposure due to the reasons stated in (2) above.

4. The total cost your company and subsidiaries have incurred or is expected to incur to address the Y2K issue.

- Approximately RM300,000.00.

5. Describe your company and subsidiaries' contingency plans in relation to the Y2K issue to ensure continued operations.

- No contingency plans because only minimal exposure to Y2K as stated above.

Table 1

Description of Non Y2K System	Criticality of system (critical or not critical)	Status of readiness (at which stage & percentage of completion)	Estimated date being Y2K Ready	Remarks
Accounting	Not critical	Implementing a new Y2K compliant accounting system. 50% of completion.	September, 1999	-