

Announcement

Subject : PARAGON UNION BERHAD ("PUB" or the "Company")
Proposed Revision and Extension of Time for the Utilisation of
Proceeds ("Proposals")

Date Announced : 25/06/2001

Reference No. : MM-010625-53174

Type : Announcement

Company Name : Paragon Union Berhad

Stock Name : Paragon

Content:

Further to our announcement on 1 June 2001 in respect of the Proposals, on behalf of the Board of Directors of PUB, Affin Merchant Bank Berhad is pleased to announce that the Securities Commission ("SC") had, vide its letter dated 18 June 2001, approved the following:

(1) the revision in the utilisation of unutilised proceeds of RM5.109 million arising from the Company's earlier rights issue of shares ("Unutilised Proceeds") to meet the working capital requirement of the Group;

(2) the extension of time for the utilisation of the Unutilised Proceeds up to 24 November 2001; and

(3) the flexibility to vary further the utilisation of the Unutilised Proceeds and the time frame to complete the utilisation of the Unutilised Proceeds subject to the following conditions:

- (i) the prior approval of the SC must be sought for any revision to the utilisation of the Unutilised Proceeds other than for the core business of PUB;
- (ii) the prior approval of the shareholders of PUB must be sought for any revision of 25% or more to the utilisation of the Unutilised Proceeds. Further, appropriate disclosures must be made to shareholders of PUB for any revision not exceeding 25% of the original utilisation of the Unutilised Proceeds;
- (iii) any extension of time for the completion of the utilisation of Unutilised Proceeds from that determined earlier by PUB must be approved by a clear resolution from the Board of Directors and adequately disclosed in the announcement to the Kuala Lumpur Stock Exchange; and
- (iv) appropriate disclosures must be made on the status of the utilisation of the Unutilised Proceeds in the quarterly and annual reports of PUB until the Unutilised Proceeds are fully utilised.