

**PARAGON UNION BERHAD (286457-V)**Quarterly Report On Consolidation Results For The Financial  
Quarter Ended 31 March 2000

Consolidated Balance Sheet	(UNAUDITED)	(AUDITED)
	As At End of Current Quarter 31/3/2000 RM'000	As At Preceding Financial Year End 31/12/1999 RM'000
1 Fixed Assets	30,629	31,366
2 Investment in Associated Companies	-	-
3 Long term Investments	-	-
4 Intangible Assets	-	-
5 Current Assets		
Stock	5,501	5,633
Trade Debtors	6,245	5,130
Sundry debtors, deposits and prepayment	19,873	19,003
Time deposits	54,797	7
Cash and bank balances	367	346
	<u>86,782</u>	<u>30,119</u>
6 Current Liabilities		
Trade Creditors	2,777	2,925
Other Creditors and accruals	60,074	5,081
Hire purchase and finance lease liabilities	713	726
Bank borrowings	37,043	35,253
Taxation	681	757
	<u>101,288</u>	<u>44,742</u>
7 Net Current Liabilities	(14,506)	(14,623)
	<u>16,123</u>	<u>16,743</u>
8 Shareholders' Funds		
Share Capital	14,000	14,000
Reserves		
Share Premium	2,929	2,929
Revaluation Reserve	8,892	8,892
Merger Reserve	(7,547)	(7,547)
Accumulated loss	(4,252)	(4,049)
	<u>14,022</u>	<u>14,225</u>
9 Minority Interests	-	-
10 Bank Term Loans	359	499
11 Hire Purchase And Finance Lease Liabilities	1,743	2,019
	<u>16,123</u>	<u>16,743</u>
12 Net tangible assets per share (sen)	100.16	101.61

## **Notes**

### **1) Accounting Policies**

The quarterly financial statements have been prepared based on accounting policies and methods of computation which are consistent with those adopted in the 31<sup>st</sup> December 1999 Annual Report.

### **2) Exceptional Items**

There were no exceptional items for the financial period under review.

### **3) Extraordinary Items**

There were no extraordinary items for the financial period under review.

### **4) Taxation**

No provision for taxation was required in the financial period as there were no chargeable income.

### **5) Pre-acquisition Profits**

There were no pre-acquisition profits for the financial period under review.

### **6) Profit on sale of Investments and/or Properties**

There were no disposal of investments or properties for the financial period under review.

### **7) Purchase and Disposal of Quoted Securities**

There was no purchase or disposal of quoted securities for the financial period under review.

### **8) Changes in the composition of the Group**

There were no changes in the composition of the Group for the financial period under review.

### **9) Status of Corporate Proposals**

Rights Issue of 56,000,000 New Ordinary Shares Of RM1.00 Each At An Issue Price Of RM1.00 Per Ordinary Share On The Basis Of Four (4) New Ordinary Shares For Each Existing Ordinary Share.

At the close of acceptance and payment of the aforementioned exercise on 21 March 2000 at 5.00 p.m., the levels of acceptances are confirmed as follows :

	No. of Shares	Percentage (%)
Rights Accepted	54,855,696	97.95
Excess Shares Applied	7,994,909	14.27
Total Rights to be issued	56,000,000	100.00
Over Subscription inclusive of excess applied	6,850,605	12.22

The targeted dates for :

Allotment of new shares	-	03/4/2000
Notices of Allotment to shareholders	-	10/4/2000
Listing of new shares on the KLSE	-	19/4/2000

#### 10) Seasonal or Cyclical Factors

The business operations of the Group were not affected by any significant seasonal or cyclical factors for the financial period under review.

#### 11) Issuance and Repayment of Debt and Equity Securities

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period under review.

#### 12) Group Borrowings

The total Group borrowings are as follows :

	31 March 2000 RM`000 _____
<b><u>Short Term Bank Borrowings</u></b>	
<b>Secured:</b>	
Bills payable	1,942
Bank overdrafts	2,901
Current portion of long term loan	581
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Sub-total	5,424
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<b>Unsecured:</b>	
Bills payable	1,218
Bank overdrafts	13,793
Revolving credit	16,210
Current portion of long term loan	398
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Sub-total	31,619
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Total	37,043
	=====

	RM'000
Long term bank loans	
-Secured	359
	<u>      </u>

### 13) Contingent Liabilities

There were no contingent liabilities which, in the opinion of the Board of Directors, will or may substantially affect the ability of the Group to meet their obligations as and when they fall due.

### 14) Off-Balance Sheet Financial Instruments

There were no financial instruments with off-balance sheet risk as at 5<sup>th</sup> April 2000, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

### 15) Material Litigation

- 1) A writ has been filed at the Shah Alam Court on 28<sup>th</sup> December 1999 against Transpac Capital Pte Ltd and Transpac Industrial Holdings for the recovery of RM1,230,000 deposit sum paid and RM1,230,000 in liquidity damages. An application for summary judgement has been filed on 31<sup>st</sup> January 2000. To date, hearing has been fixed on 10.05.2000.
  
- 2) A writ has been filed at the Shah Alam Court on 27<sup>th</sup> January 2000 against Wong Chee Kong and Poh Hock Leng for the recovery of RM16,540,000 deposit sum paid and RM3,821,850 in liquidity damages. An application for summary judgement has been filed on 1<sup>st</sup> March 2000. To date, no hearing has been fixed as yet for the application.

### 16) Segmental Reporting

No segmental analysis is presented as the Group is involved in a single industry segment relating to the manufacturing of carpets. The business of the Group is entirely carried out in Malaysia.

### 17) Quarterly Loss before tax comparison

Despite the 12% reduction in turnover for current quarter compared to the last quarter, the group loss before tax has improved slightly to RM203,000 against RM208,000 in the last quarter. This was due to gain on disposal of fixed asset and interest received for the current quarter.

## **18) Performance Review**

### **Turnover**

**Current quarter turnover is 38% higher than the preceding year corresponding quarter. However, there is a reduction of 12% if compared against the last quarter due to long shut-down by most of our major customers during the January 2000 festive season.**

## **19) Current Year Prospects**

**With the stronger automotive industry and expected growth in the hospitality industry and residential property market, current year prospects look favourable and further improvements are expected as the Group`s core businesses are highly dependent on the growth of these industries.**

## **20) Profit Guarantee**

**Not applicable.**

## **21) Dividend**

**No interim dividend has been declared for the financial period under review.**

## **22) Y2K Compliance**

**The Company has not encountered any Y2K incidence.**